

orts section

Women coming home in the lead

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Nicholas Gray

Section Two, living

THE INDEPENDENT

3,086

MONDAY 9 SEPTEMBER 1996

WEATHER Cloudy with the chance of rain

40p (pp 45p)

Exclusive: Secret plan for airline to save £1bn with BBC-style break-up of company

BA to jettison 10,000 workers

BARRIE CLEMENT
Labour Editor

British Airways is planning to shed at least 10,000 jobs and hive off large chunks of its operations, cutting down the airline to concentrate operations on little more than flying planes and dealing face-to-face with customers.

Under the secret proposals, which are similar to, but more radical than, John Birt's plans for a slimmed-down BBC, a whole raft of BA operations, including baggage and cargo handling, engineering and maintenance and information technology could be sold off.

According to sources close to the company board, the plan is part of a drive to cut costs by

£1bn by the year 2000. A result of this strategy by BA, which employs more than 40,000 in Britain and is one of the country's flagship companies, would be an increase in profits to more than £1bn by the end of the decade.

Speech notes written by the director in charge of the project – and meant for the ears of fellow board members – call for "outsourcing" and other activities to be halted altogether. The company, which made record profits of £585m last year, is also to switch work to "cheaper locations".

It has already set up computer-based functions in India to take advantage of a numerate English-speaking popula-



Lowering the flag: British Airways is planning to shed at least 10,000 jobs and hive off large parts of its operation. BA wants to cut costs by £1bn

Photograph: Adrian Dennis

for hundreds of thousands of jobs.

Such moves by a large hi-tech company could presage a wholesale export of jobs to the third world elsewhere in British industry. If BA succeeds with such a policy, other companies, such as banks, could follow suit, with serious implications

for management's plan to slash costs, which have already been cut by around £700m over the last five years.

The speech notes, written by John Patterson, BA's director of strategy, also declare that there will be lower pay rates for new recruits to the airline and that "market rates" of pay will be adopted elsewhere – a eu-

phemism for wage cuts. Large parts of the company are to be "streamlined", and Mr Patterson concedes that there are "immense people issues" involved.

It is understood that worried union leaders have asked senior BA directors to a meeting in Blackpool this week, where the annual TUC Congress is being held. However, the full details

of the BA blueprint and the number of jobs it will affect are not due to be revealed to union officials until 18 September.

Robert Aylng, chief executive of the company, first announced his intention to cut £1bn from costs at a presentation to the City earlier in the summer. Despite the record profits, Mr Aylng told financial

analysts that there would be a drive to increase profits even further.

The company has already achieved massive savings through astute purchasing deals, new working methods and reducing labour costs.

George Ryde, chief negotiator for the Transport and General Workers' Union at BA, said he was aware of that the company intended to save the £1bn through the "Step Change" initiative. "Unions have no detailed information yet, but we are seeking a meeting with directors to discuss how they are going to go about saving this money." He said he was not prepared to comment further until details were provided by BA.

While some union leaders will be keen to call a ballot on industrial action, BA has a reputation for "hosing people down with money", as one company source said. It is thought likely that BA will continue its policy of voluntary redundancy rather than force individuals out. While Mr Patterson's notes register concern that only 38 per cent of employees were aware of the strategy to slash costs, company sources are also aware that morale has slumped among workers who have taken on board the full implications of "Step Change".

A spokesman for BA said no decision had yet been taken on how many jobs would go.

However, he said the airline was exploring every option available in order to maintain profitability including selling off services which were not part of the company's "core" activities. Other airlines were adopting similar strategies, he said. In order to stop "scare-mongering", staff would be briefed next week.

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Let the good times roll, says Major

ANTHONY BEVINS
Political Editor

John Major will today offer former Tory voters the clearest indication yet that he is counting on a pre-election spending boom to win back their support.

The Prime Minister told last year's Conservative Party conference that he and his Chancellor, Kenneth Clarke, wanted nothing more to do with the "boom and bust" economics, associated with Margaret Thatcher.

But in a direct mailshot appeal to more than 2 million disaffected voters who need to be won back if the Tories are to hang on to their most marginal seats, Mr Major offers the prospect not only of rising living standards, but sweeping tax cuts – and rising house prices.

In a move that will confirm the worst fears of City analysts

"Neither Ken nor I, ever again, want to see us go through that boom and bust cycle that causes so much pain and so many lost hopes"

who have detected signs of a return to old, political habits, Mr Major says the good times are back again.

The letter, targeted at Tory doubtfuls, repeats the Prime Minister's "dislike" of putting up taxes after the last election.

"But it was necessary to put our economy on an even keel," he says. "And it has worked."

From the Rt Hon John Major MP
Prime Minister and Leader of the Conservative Party
10 Downing Street, Westminster, London SW1A 2AA

Mr & Mrs Alan A. Sampson,
Sampson House,
21 Blyth Road,
Brentwood,
Essex CM15 8PL

Dear Mr & Mrs Sampson,

I would like to take a few moments of your time to set out my message direct to you about our economy.

I know that the last few years have been difficult for many people. We have had to pay what seems like a never-ending series of painful economic sacrifices. This means that important services available for the community have had to be cut. At the same time the Government has to

raise more money to meet its responsibilities to the public sector.

I believe that the last few years have been difficult for many people. We have had to pay what seems like a never-ending series of painful economic sacrifices. This means that important services available for the community have had to be cut. At the same time the Government has to

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Speaking out: Sheikh Omar Bakti Mohammed at Speakers' Corner, Hyde Park, London, during a demonstration by Islamic fundamentalists yesterday, after a controversial rally for Islamic Revival, to be held in Docklands, was cancelled due to spiralling security costs

Photograph: Kalpesh Lathiga

Union anger at strike ban

BARRIE CLEMENT
Labour Editor

Union leaders of all shades of opinion yesterday round on proposals from the Labour leadership which would effectively ban strikes if they were.

David Blunkett, Labour's employment spokesman, has floated the idea of compulsory binding arbitration after private warnings from unions that a Labour Cabinet could face industrial unrest in the public services after a "honeymoon" period.

While unions rejected such compulsory processes, they agreed to co-operate with Mr Blunkett's plan to consult employees' representatives and management on ways of avoiding stoppages.

Mr Blunkett will be speaking at a fringe meeting tomorrow at the annual TUC Congress in Blackpool where he is expected to reveal his proposals.

The plans for consideration are thought to be an enhanced role for the conciliation service Acas and the creation of more pay review bodies which presently cover public servants such as nurses and teachers.

On the eve of congress John

Monks, TUC general secretary, made clear his implacable opposition to the introduction of laws to enforce arbitration. He said they had been shown not to work in the past and were not the "panacea" that some politicians thought they were.

He welcomed the invitation by the Labour party to submit TUC ideas on how industrial action may be avoided and contrasted Mr Blunkett's attitude with the present government which was apparently drawing up plans in secret.

Ken Jackson, general secretary of the Amalgamated Engineering and Electrical Union, said his organisation had signed arbitration agreements, especially in the electronics industry, but declared his opposition to compulsion.

He said there should be a "compact" between unions and a Labour government but arbitration should be voluntary.

Tony Blair will come face to face with the realities of industrial strife when he visits Blackpool tomorrow. He will be dining with senior union leaders as postal workers' leaders will be deciding whether to call more strikes.

Even though Mr Major, and other EU leaders, agreed to the

Euro-summit set to rouse Tory passions

ANTHONY BEVINS
Political Editor

A European summit is to be held in Dublin on the Saturday before next month's Conservative Party conference - threatening to inflame Tory passions over greater European integration.

The summit, the first of two to be held under the Irish presidency of the European Union before the end of the year, offers John Major an ideal platform for a tough stand against Brussels attempts to undermine the British veto.

But senior Labour sources said yesterday that Tory divisions were so deep that whatever the Prime Minister did, he would incense one side or the other.

If he attempted to woo the Euro-sceptics who tend to dominate the grass-roots conference, there was a danger that Sir Edward Heath and the pro-Tory camp would hit back, and it is the public perception of division that does the most damage.

"Circumstances may prove that my caution is unnecessary. But I start off with just a tinge of uncertainty as to



Malcolm Rifkind: Sceptical about need for meeting

two Dublin summits in Florence last June, the Foreign Secretary Malcolm Rifkind yesterday questioned the need for "Dublin One".

Following a meeting of foreign ministers in Tralee, Co Kerry, he said: "I remain to be persuaded - and I am quite happy to be persuaded."

The Hain paper says: "There is no effective scrutiny by the Commons of the crucial role of ministers in the Council of Ministers, either to influence them before they attend meetings or to report back on decisions taken. Obviously in council meetings, ministers will be involved in negotiations, trade-offs and compromises. Therefore, the strategy of negotiating position is crucial."

whether this meeting will prove to have been entirely necessary."

One of the issues on the agenda for the inter-governmental talks will be the democratic deficit; the enactment of European legislation with none of the detailed parliamentary scrutiny applied to domestic legislation.

The Independent was told yesterday that Labour plans for tougher checks on European legislation are expected to include prior examination of ministers by Commons committees - before they go to Brussels to agree and enact legislation.

Mr Hain has recommended that a Labour Government should adopt the procedure that already exists in Denmark, Sweden and Finland.

There, Ministers facing critical Brussels decisions automatically present themselves for pre-examination by parliamentary committee, a week before they attend the relevant council meeting - and, again, one week after council decisions have been taken.

The paper also calls for parliamentary scrutiny of the cooperative "pillars" of home affairs and justice, and common foreign and security policy, which, at the moment, escape vetting by the European Legislation committee of the Commons.

Schools are cutting down on breaks and lunchtimes to solve discipline problems and to squeeze in extra lessons, according to research to be published this week.

Changes over the past five years could damage a vital part of children's social life and could restrict opportunities for them to develop their social skills, according to the academics who compiled the report.

Researchers from London's Institute of Education found that about a quarter of infant schools, four out of 10 junior schools and a third of secondary schools had reduced their lunchbreaks in the past five years. But Dr Peter Blatchford, who carried out the research, warned: "There are signs that children of primary school age have less opportunities out of school for interacting freely with peers and thus developing friendships."

Anxious parents worried about the health of their children have asked teachers to ban a five-year-old boy from school over fears that he may have contracted the virus that causes Aids. Robert Lee is awaiting tests to see if he has caught HIV after he stabbed himself four times in both hands with a discarded hypodermic needle.

The parents of his schoolmates at Huntingtower Primary School in Grantham, Lincolnshire, called on the head teacher, Mike Wentworth, to ensure that he stays at home until he is given the all-clear. Robert's mother, Joanne Lee, said: "We are very worried about it. Robert has been given the HIV vaccine but it will take three months before we know the results of hospital tests." Robert had stabbed himself while copying his grandmother, a diabetic, after finding a syringe in the street.

A 16-year-old boy was murdered in a vicious attack by a gang of up to 20 youths and girls following a chase through a housing estate, police said last night. Scott Ferguson had been visiting relatives at Paisley, near Glasgow, when he was confronted by the gangland chased through several streets.

Poole said between 15 and 20 youngsters aged between about 17 and 20 were involved in the beating. A spokeswoman said a gun was fired during the incident on Saturday night but no one was injured by the shot and the weapon was later recovered by police. She said Scott was taken to hospital, where he died. Detective Chief Inspector Ronald Beattie, heading the murder hunt, said: "This was a particularly vicious attack on a 16-year-old boy and I would appeal to anyone with any information to contact the incident room."

Labour's health and social services spokesman in Wales yesterday criticised the appointment of the leading spokesman to the North Wales Tribunal into Child Abuse. In a letter to the Secretary of State for Wales, William Hague, Rhodri Morgan says that Gerard Elias QC is a prominent freemason and a member of the same Cardiff lodge as Welsh Office Minister Gwilym Jones.

The Welsh Office social services inspectorate is likely to be criticised during the tribunal hearings, and Mr Morgan says: "Any possible critical examination of the role and possible failures of the social services inspectorate of your department may well be perceived to be more difficult, given the fellow freemason links between Mr Elias and Mr Jones."

A young boy was airlifted to hospital yesterday after apparently falling on to an overhead railway power cable. The accident occurred at about 4.35pm in West Hampstead, north London, said London Ambulance Service. The boy, whose name and age had not been released last night, was flown by air ambulance to the burns unit at Queen Mary's Hospital, Roehampton, south-west London.

Five winners shared the £8.1m National Lottery jackpot - thanks to Britain's luckiest number, 44. It was drawn for the sixth week running, heating odds of 800,000-1, Camelot said. The winning numbers were 5, 13, 15, 44, 18, 32 with the bonus number 41.

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Rail operator hits out at funding of network

CHRISTIAN WOLMAR
Transport Correspondent

Railtrack should be renationalised by a new government, unless it reduces its charges for improving the rail network, James Sherwood, the president of Sea Containers which runs Britain's most prestigious rail line, said yesterday.

In an exclusive interview with *The Independent*, Mr Sherwood was highly critical of the structure of privatisation and sceptical about the prospects for the investment which is vital for the modernisation of the network. He said that the newly-privatised Railtrack must not attempt to impose high charges for investment or else it should be brought back into government ownership.

While Mr Sherwood has a vested interest in forcing Railtrack to reduce its charges, his comments are an embarrassment to the Government, which has just sold Railtrack, and to

the Labour Party which ducked out of committing itself to renationalising it.

Sea Containers' subsidiary, the Great Northern Railway Company, runs the East Coast Main Line and Mr Sherwood is seeking to make a series of improvements including building three new Parkway stations - near Edinburgh, Doncaster and the M25 - and extending the platforms at King's Cross station in London. However, he said there were doubts about whether Railtrack would be able to fund any of these investments and what profits it would make if it does so.

Mr Sherwood said that existing charges by Railtrack for use of the track and stations were far too high: "We could do the work that Railtrack does for half the price. We've looked at the costs of railways in other countries and we're convinced that we could do it much cheaper."

He said the high charges enabled the Government to take

£4bn out of the system to pay for tax cuts but that they resulted in a railway system that was too expensive for passengers and required too much subsidy from government.

Mr Sherwood added that all improvements to the network must be at a marginal rate, otherwise it would not be forthcoming: "We have to live with the core of high charges but the rate of return from new investment must be lower than on the existing assets."

Mr Sherwood questioned the future of the three rolling stock companies. He says that the charges they impose on train operators such as Great Northern are exorbitant. He is looking at the possibility of lengthening all the company's 40 leased trains and says: "The amount we have been asked for the extra coaches which are old ones lying idle - £80,000 per year - is just ridiculous. We could get new ones built and pay about half that in annual leasing charges."

The more serious *Spiked* came into being after legal action forced the notorious *Scullywag* into obeisance.

His visit to northern Cyprus was thought to be part of a plan to put his latest magazine venture on a firm financial footing with the help of Mr Nadir, a former contributor to *Scullywag*.

The driver, understood to be Simon Stander, a friend of Mr James and part of the *Spiked* team, suffered bruising in the accident and was recovering in

Cyprus yesterday. Mr James, who was in his thirties, was notorious for upsetting the Establishment and received a series of libel writs with scandalous allegations about the Prime Minister and other leading political figures.

His visit to northern Cyprus was thought to be part of a plan to put his latest magazine venture on a firm financial footing with the help of Mr Nadir, a former contributor to *Scullywag*.

Two women in the party escaped unharmed and flew back to Britain. David Price, the mag-

SIGNIFICANT SHORTS

Every unemployed person costs taxpayers £10,000 a year in benefit payments and lost tax revenues, according to a study published today by three Cambridge economists. Calculations based on a detailed assessment of the likely changes in taxes and benefits following the creation of 1 million public-sector jobs suggest that they would offset more than half the cost to the Exchequer.

The research, by Michael Kitson, Jonathan Michie and Holly Sutherland, will provide useful ammunition to those who would like to see a Labour government take an active approach to cutting unemployment. But direct job creation by government differs in spirit from proposals by the shadow Chancellor, Gordon Brown, to reduce tax on the low paid in order to improve incentives to work. Diane Coyle

Kenyan detectives have travelled to Denmark to interview a man who says he witnessed the murder of British tourist Julie Ward in a safari park eight years ago. A fresh investigation into the killing was launched by President Daniel arap Moi in March this year, after the initial police inquiry was discontinued.

The investigators will talk to former Kenyan policeman Valentine Kodipo, who fled Africa after naming three government officials he says killed Julie. He is now living in Denmark, having claimed refugee status on the grounds that Kenyan government figures might persecute him for having implicated them in the murder. Julie's father, John Ward, has campaigned for her killer to be brought to justice since the discovery of parts of her body in the Masai Mara game reserve a week after she disappeared in September 1988.

Greenpeace admitted storing radioactive contaminated sand in oil drums in the back yard of its London headquarters. The drums containing sand were taken from beaches near the Sellafield nuclear installation in Cumbria. They have been stored for several months in the yard outside Greenpeace's Islington office. The drums, showing low-level contamination, were sold by the group to have been taken to show the dangers to public areas from radioactive emissions from nuclear power stations.

All gas and gaiters as Runcie has them feuding in the aisles

A new biography of the former Archbishop of Canterbury revives old hatreds, reports Andrew Brown

A biography of Lord Runcie, the former Archbishop of Canterbury, yesterday became an excuse for the Church of England's feuding of the Eighties to resume as if it had never left off.

The Archdeacon of York, the Ven George Austin, accused Lord Runcie of conniving at sexual immorality in an unnamed theological college. The former Archbishop's memoirs are expected to reflect his own view, expressed privately to several friends, that the traditionalist party in the Church of England cannot be taken seriously so long as one of its leaders is the archdeacon, whom he regards as a pompous rent-a-quote.

In an article in the *Observer*, Archdeacon Austin rehearses the old arguments against Lord Runcie as being a scheming ditherer "who sits on the fence with both ears nailed to the ground" but also accuses him of being unable to tolerate criticism. He said that when he had denounced to the Archbishop the regime at one theological college, where students were allowed to spend the night with boy- or girl-friends, Lord Runcie simply passed the letter on to the principal of the college concerned. He in turn returned it to Lambeth Palace, with a note that said the Archdeacon's interest in other people's sexuality said more about his own sexuality than that of the college. Lord Runcie apparently sent this reply on to the archdeacon, with a note of his own to say "serve you right".

The archdeacon is still upset. The story does illustrate the curious mixture of respect for institutions and disregard for traditions which was very characteristic of Lord Runcie. Respect for institutions means, amongst other things, that you do not sneak, as George Austin's informants had done. Lord Runcie is a man who both enjoys gossip and expects it to stay private.

That is how he got into such a mess over this latest biography, when he talked at length into Humphrey Carpenter's tape-recorder in the period of sudden depression that followed his departure from office in 1991. The world in which he grew up was one in which such confidences stayed inside a magic circle, at least until after their author was dead.

He had been a history don, and in many ways wished he had remained one. He is extraordinarily sensitive about the fact that he used speechwriters. It is a perfectly sensible thing for an archbishop to do but it would be a disgrace for a don.

It was as a former historian as well as a flattered archbishop that he approached Humphrey Carpenter. He wanted a book that would do justice to his role at the heart of the establishment during the Thatcher years. Such a book would have required access to government archives and to the memoirs of his enemies. It could not have been a straight biography. This confusion does not appear to have occurred to him until too late.

According to Mr Carpenter it was Lindy Runcie who first read and was alarmed by the book. "He didn't read it at once when I gave him the first draft. He went to America with it on one of his trips, and finally Lindy read it. People thought



Runcie's memoirs are expected to reflect his view that the traditionalist party in the Church of England cannot be taken seriously so long as one of its leaders is the Archdeacon, whom he regards as a pompous rent-a-quote

Austin rehearses the old arguments against Lord Runcie as being a scheming ditherer 'who sits on the fence with both ears nailed to the ground' but also accuses him of being unable to tolerate criticism

that nuclear testing had been resumed, by the sound of the explosions in St Albans."

Lord Runcie clearly felt that respect for institutions meant that you did not denounce a theological college behind the principal's back. It is worth noting that when he himself ran a theological college, Cuddesdon, in the 1960s, married students were allowed there, but they could only see their wives for tea on Saturday. He slowly liberalised the regime.

The conflict between tradition and institutions also makes sense of the former Archbishop's agonising and hesitations

over the ordination of women, which was finally decided after he had gone, in 1992. He came to believe in it. He found that the tradition of the church was not an insuperable bar to women priests. At the same time, he could see that the Church of England as an institution would be damaged by it. These two tendencies made it impossible for him to support wholeheartedly either side.

Now that there are women priests, it is clear that Lord Runcie was right both to support them and to fear them. Although the prophecies made at the time by people like George

misogyny also shaped the pe-

culiar homosexual culture which flourished in the Church of England until driven out by the consequences of the decision to ordain women. During Runcie's primacy, some of the most important posts in the General Synod and the Anglican Communion were held by gays, and there were times when he felt they were acting in concert against him, especially in the aftermath of the Crookston's scandal, when an anonymous preface attacking him with lucid savagery was written by one gay, commissioned by another, and defended at length by a third. Two of the men in-

volved he had considered friends. This is what lay behind his remark to Humphrey Carpenter that "I've enjoyed their friendship, but I've always been conscious that they might stab me in the back because I wasn't one of them".

However, most of the homosexual clergy in the Church of England seem to have regarded him as a friend and protector, and certainly an improvement on his successor, Dr George Carey, who would clearly prefer it if none of them existed.

Letters, page 13
A biographer's view, page 15

Bondi beach attacker 'like a robot'

CHARLIE BAIN

The girlfriend of Brian Hagland, the British postman beaten to death near Bondi beach in Sydney, Australia, described yesterday how her boyfriend was attacked by a human "robot".

Speaking at a press conference in Sydney, Connie Casey told how Mr Hagland was repeatedly punched and kicked in an apparently motiveless attack in the early hours of Saturday morning.

"He didn't know these people. They just picked him off the street, and they killed him," she said. "He died really quickly. He didn't stand a chance - this man was like a robot."

Mr Hagland, 28, and Ms Casey, 25, of West Hampstead, London, were walking along a brightly-lit street yards from Bondi beach when they were accosted by two men in their mid-twenties thought to be high on drugs.

One man knocked Mr Hagland to

the ground and repeatedly punched and kicked him until he collapsed unconscious on the street. He was taken to St Vincent's Hospital in the city where he later died of head wounds and internal injuries.

Ms Casey said she and Mr Hagland, who is the cousin of *EastEnders* star Sid Owen, who plays Ricky Butcher, were on their way home after attending her leaving party at the Australian Trade Commission.

"These men were coming towards us and I just knew by the look on this man's face he was dangerous and was going to do something," she said.

"I said to Brian 'don't say anything to him'. I was given a presentation of flowers from work and he was holding the flowers and holding my hand. He said 'I'm not going to do anything'.

"Then this man just ran up to him, straight away and he said 'come on, come on, let's have him'. And his friends stood back and he just punched



Distraught: Connie Casey yesterday

She said the attacker's eyes were "glazed. He was robotic. He looked as if he didn't even see Brian".

Mr Hagland and Ms Casey had planned to get engaged in Tahiti later this year before returning to Britain in January 1997 when Mr Hagland was set to return to work as a driver for the Post Office.

The attack was the second time Ms Casey had been confronted by violence recently. Last year she was the victim of a hold-up at a north London jeweller's shop when the robbers doused her in petrol and threatened to burn her alive. She used the compensation money received after the robbery to pay for her trip to Sydney, which was supposed to help her to recuperate.

Yesterday, the dead man's uncle, Ron Hagland, said that his nephew was "a gentle giant" who would have gone out of his way to avoid a fight. "He was a model son," he said. "Brian would go mad if he saw anybody killing a spi-

der. He was an absolute diamond, a really clean-living bloke with no problems whatsoever."

Last night, a spokeswoman for the Sydney police department said that there was a possibility that Mr Hagland's attacker may be injured due to a trail of blood leading from the scene along Bondi beach.

"We have followed a trail of blood and think that one of the offenders could be seriously injured," the spokeswoman said.

Mr Hagland is the second Briton to be killed in the Bondi beach area of Sydney this year. Last April a backpacker, Gawan Whalley, 22, of Dorset, was stabbed to death by a gang of youths as he walked to his temporary home on a neighbouring beach. It is thought by Australian police that both he and Mr Hagland could be the victims of a wave of motiveless "thrill-seeking" killings that are sweeping the area.

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DEAR MR TAXMAN

I FEEL LEFT OUT

Dear Taxman I feel neglected, all my friends get tax returns to fill in but you have never sent me one.

As I am now 32 years old is there something wrong with me? Ignored, COVENTRY.

TAXMAN SAYS Age has nothing to do with whether you get a tax return or not. We will send you a tax return if you are self-employed, a company director, or someone with more complex tax affairs. Most people don't get a tax return so you're certainly not alone. However, if you receive income that has not been taxed and you haven't been sent a tax return you must tell us. Call your Tax Office and talk to someone there if you are still worried. The telephone number is in the phone book under 'Inland Revenue'.

DO I NEED AN ACCOUNTANT?

Dear Taxman To date, I have always enjoyed handling my tax affairs personally. I find it a very stimulating and interesting pastime.

Will I now be forced to use an accountant and give up one of my few interests in life? Bored, DYFED.

TAXMAN SAYS Not if you don't wish to. If you already deal with tax affairs yourself there is no reason to change. In fact, if you are organised and

AM I UP-TO-DATE?

NO MORE TAX

Dear Taxman Is Self Assessment just a coming way of wheeling more tax out of me?

Paranoid, BARNES.

TAXMAN SAYS No. Self Assessment is not a new tax and does not affect the amount of tax you pay. It is just a clearer and more straightforward system for working out and paying tax.

How big is it?

Dear Taxman How big is the new Self Assessment tax form? I have a bad back and the doctor says I can't do any heavy lifting. Worried, BRADFORD.

TAXMAN SAYS From next April most people will get a basic, slim-line, eight-page tax return, along with any extra pages we think you may need. (If, for example, you are self-employed, there will be four extra pages to fill in.) You will get a full list of the supplementary pages available and if you think any apply to you, you'll have plenty of time to send off for them. Guidance notes to help you fill in your tax return and work out your own tax bill - if you want to - will be sent out with the forms.

Highways network on road to ruin

CHRISTIAN WOLMAR
Transport Correspondent

Britain's main roads are deteriorating faster than they can be maintained, leading to extra delays and unreadable traffic signs, the head of the Highways Agency has warned.

Laurie Haynes, chief executive of the Highways Agency, has admitted that routine maintenance tasks are no longer being carried out.

In a letter to the Tory MP Nicholas Winterbottom, he says that this has resulted in "an increasingly untidy and unkempt trunk road network about which the agency and ministers already receive a large number of complaints".

The agency's formula for pricing delays to road users, which involves giving a value of around £7 for every hour's delay, suggests that extra costs of £18,000 per day are being incurred, a total of £6.6m per year.

The RAC, which obtained Mr Haynes's letter, backs up the evidence in it with examples from around the country. Edmund King, the RAC's head of campaigns, said: "On the A6 near Disley (Cheshire) the grass has grown so high that locals have renamed it the Hay 6."

He says that road signs near Manchester are becoming obscured with green algae and sticky deposits from trees. Debris seen on roads include a kitchen sink which fell from a truck on to the middle lane of the M11, a porcelain toilet on the M4 and an empty dog kennel on the A1 near Newcastle.

Mr King said: "It is a scandal that the nation's infrastructure is being allowed to crumble into disrepair."

Mr Haynes says: "We are un-

able to carry out preventative works, such as repainting steel bridges and other cost-effective treatments such as renewing life-expired roads using a strengthening overlay."

This is much cheaper than rebuilding the road which becomes necessary if such maintenance work is not carried out. On the A14 through East Anglia, a 50mph advisory speed restriction has been imposed because "funds are not available to deal with ruts in the road surface".

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Lilley goes to Chile for advice on pensions

NICHOLAS TIMMINS
Public Policy Editor

Peter Lilley, the Secretary of State for Social Security, is to visit Chile - a move that observers believe could herald an attempt by a future Tory government to privatise the rest of Britain's state pension system.

In 1980, Chile pioneered a switch from the type of pension scheme used in the UK - a state-run pay-as-you-go system, with pensions paid for out of current tax and national insurance contributions - to a fully funded system which, in effect, provides private pensions for all. Contributions are invested in the stock market by competing pension providers, who pay out benefits from the proceeds.

In the UK, the idea has received enthusiastic backing from the free-market think-tank, the Adam Smith Institute. It is advocating "fortune accounts" which would replace not just the rest of Serps, the State Earnings Related Pension Scheme, and the basic state pension, but other benefits.

Mr Lilley was due to visit Chile this week, but decided to postpone his trip when he found that the Commons Social Security Committee, which is also examining Chile's pensions revi-

sion, would be visiting the same officials at the same time. A significant part of Serps has already been privatised by persuading people to opt out in favour of personal pensions. But a large part remains mainly covering the lower-paid, as does the basic state pension, which between them raise and pay out £30bn per year.

A DSS spokesman said the visit was to keep up to date with social security developments elsewhere. But the idea of switching to a fully funded pension system has enthusiastic backers on the Tory right, including David Shaw and Bernard Jenkin, members of the social security committee, who are expected to brief Conservative Central Office on their return from Chile.

Mr Lilley has underlined the difficulty of privatising the basic pension. Colleagues, while remaining interested, also acknowledge important differences between the UK and Chile.

However, Frank Field, the Labour chairman of the committee, said that attempting a massive privatisation of pensions now would risk inflating share prices or require the Government to issue bonds to mop up the extra savings.

DAILY POEM

The Departed Train

By Natalya Gorbaneskaya

The french horn of the train sighs, weeps a little,
an unattainable myth.
Through the prison bars a match gleam trickles,
the whole world is eclipsed.

The horn takes wing, into the night it sweeps.
To flick through tracks
like notes. Oh how am I to reach
that rainy platform!

Forsoaken, sleepless, deserted,
deserted without me -
cloud tatters like letters drift down
to your concrete,

and inscribing the puddles with full stops,
with hooks and tails,
their treble voices ring out after
the departed train.

Joseph Brodsky wrote the foreword to a new collection from Cassell, *This Prison Where I Live*, an anthology of 20th-century writing of political oppression, just months before he died in December 1995. Among letters and prose from Arthur Koestler, Primo Levi, Dashiell Hammett, Vaclav Havel and Federico Garcia Lorca, is poetry from South America, the Middle East, Africa and the former Soviet Union. Natalya Gorbaneskaya's poem first appeared in *Select Poems*, published by Carcanet in 1972.

Garden design delivered straight from the subject's mouth



Family affair: Gavin Court spouting water among cherub fountains modelled on him by Steven Morant. The artist, based in Leeds, West Yorkshire, regularly uses four of his relatives as models for his garden sculpture. Mr Court is the son of his cousin

Photograph: John Houlihan

Hi-tech security coming to schools

FRAN ABRAMS
Education Correspondent

Schools should consider using security guards, infra-red intruder detectors and closed circuit televisions in the wake of the Dunblane massacre and other violent attacks, ministers have recommended.

In a booklet to be sent to schools today, the Department for Education and Employment is asking them to assess whether they are at low, medium or high risk of such attacks or of burglary and vandalism.

Those which have suffered from problems such as trespassing, arson or other crimes or which are in areas with a high level of drug or solvent abuse should seek advice from the police and other authorities, it says.

The booklet follows the report of an inquiry set up after the death last December of Philip Lawrence, the head teacher who was stabbed to death outside his school in Maida Vale, north-west London, last December.

The inquiry was extended after the Dunblane shootings in March.

The negative equity trap: Can it be avoided in the future?

HOUSE PRICES are continuing to rise, which is good news for the property recovery. It is also good news for those who have had to sustain a loss in the first-time buyer's market.

Amid all this good news however, there

WE GUARANTEE IT.

Believe it or not, for a first time buyer, it's true. That's because we can protect you should the value of your house drop.

We call it the First Time Buyer Guarantee and it's a new kind of mortgage that really comes into its own when you want to buy your next home. If the value of your property falls below your mortgage, you're covered.

You'll still be able to move because we'll sell the property for you and pay off your mortgage. And it gets better. You get a free valuation, not to mention a cash back of £1,000.

All in all, it adds up to something the property market needs more of. Good News. For more details call into your local Halifax branch.

HALIFAX

Get a little extra help.

TYPICAL EXAMPLE FIRST TIME BUYER GUARANTEE: A COUPLE (MALE AND FEMALE) BOTH NON SMOKERS AGED 25, APPLYING FOR A PEP MORTGAGE OF £50,000 SECURED OVER 25 YEARS ON A PROPERTY WITH A PURCHASE PRICE OF £57,000. MONTHLY MORTGAGE PAYMENTS £285.34, AND ANNUAL TAX RELIEF £285.34. MONTHLY INSURANCE PAYMENT £105.98 AND ANNUAL BUILDINGS INSURANCE PAYMENT £229.75 FOR THE FIRST 10 YEARS OF THE MORTGAGE. BASIC LENDER'S FEES £15.00, CONVEYANCING CHARGES £15.00, HOME SURVEY £140.00, CHARGE FOR DESPATCH OF TITLE DEEDS £15.00 AND ANNUAL INTEREST OF £103.01 ASSUMING COMPLETION ON 15.1.96 AND ANNUAL REVALUATION OF PROPERTY AT 10%.

REVALUATION IS UNADJUSTABLE. ANY SHOWN IS TYPICAL FOR A PERSON AGED 25 FOR 25 YEARS. FIRST TIME BUYER GUARANTEE MORTGAGE IS ONLY AVAILABLE TO FIRST TIME BUYERS ON PROPERTIES WITH A PURCHASE PRICE OF £50,000 AND £50,000. IT IS NOT AVAILABLE FOR PURCHASE OF PROPERTIES ON THE ISLE OF MAN, ISLE OF WIGHT, ISLE OF MANX, ISLE OF JERSEY, ISLE OF GUERNSEY, ISLE OF SCILLY, ISLE OF IRISH SEA, ISLE OF BRETAGNE, ISLE OF CORNWALL, ISLE OF DEVON, ISLE OF SOMERSET, ISLE OF GLOUCESTERSHIRE, ISLE OF WORCESTERSHIRE, ISLE OF WARWICKSHIRE, ISLE OF NELSONSHIRE, ISLE OF DERBISSHIRE, ISLE OF LANCASHIRE, ISLE OF CHESHIRE, ISLE OF SHROPSHIRE, ISLE OF WORCESTERSHIRE, ISLE OF GLOUCESTERSHIRE, ISLE OF SOMERSET, ISLE OF BRETON, ISLE OF CORNWELL, ISLE OF DEVON, ISLE OF SOMERSET, ISLE OF GLOUCESTERSHIRE, ISLE OF WORCESTERSHIRE, ISLE OF WARWICKSHIRE, ISLE OF NELSONSHIRE, ISLE OF DERBISSHIRE, ISLE OF LANCASHIRE, ISLE OF CHESHIRE, ISLE OF SHROPSHIRE, ISLE OF WORCESTERSHIRE, ISLE OF GLOUCESTERSHIRE, ISLE OF SOMERSET, ISLE OF BRETON, ISLE OF CORNWELL, ISLE OF DEVON, ISLE OF SOMERSET, ISLE OF GLOUCESTERSHIRE, ISLE OF WORCESTERSHIRE, ISLE OF WARWICKSHIRE, ISLE OF NELSONSHIRE, ISLE OF DERBISSHIRE, ISLE OF LANCASHIRE, ISLE OF CHESHIRE, ISLE 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news

Some people in Britain today are earning an hourly wage that won't even buy a Big Mac and small fries. Is this the society we want?



As it was: Life in the old factories could be hard, but wages and hours were protected by trade union negotiations



As it often is: People like this care worker have less job and pay security following the decline of trade union power

TUC minimum pay call sets test for Blair

BARRIE CLEMENT
Labour Editor

The Trades Union Congress is this week expected to embarrass the Labour leadership by backing a call for a national minimum wage set at £4.26 an hour.

In an attempt to minimise the impact, however, the annual congress in Blackpool is also likely to endorse a resolution which indicates that a figure of more than £4 might be "reasonable" and a seemingly contradictory statement which argues that a "bid" should be postponed.

John Monks, general secretary of the TUC, said yesterday that the three propositions would inform the development of union policy during the coming year and in the lead-up to the general election.

The minimum wage is likely to be the first real test of how far the Labour leadership is prepared to go to accommodate the unions, which will press for early introduction if Labour wins. More than 3 million people in Britain earn less than £3.50 an hour; 70 per cent of

them are women. More than half of them work part time.

Mr Monks' diplomatic statements yesterday contrasted with his plea at the TUC's Ruling General Council last week that the motion urging a figure of £4.26 should not be put to conference. The TUC leader was defeated by 19 votes to 15.

It is clear, however, that the union movement's position on the minimum wage has been watered down considerably over the years to prevent the Conservatives making too much political capital out of the issue.

John Edmonds, general secretary of the GMB general union, said the TUC debate - scheduled for Wednesday - was an "indulgence and irrelevance" because the statement post-pending a bid, which was backed by the general council, would take precedence under the TUC's constitution.

"We are going to have a drama on Wednesday, but it will be completely devoid of reality," he said.

The debate over the issue will come the day after Tony Blair visits Blackpool to attend a dis-

cern with union leaders. He is insisting that the party should not adopt a figure and that a low-pay commission would be set up to advise a Labour cabinet.

Unison, the public service union which is proposing the £4.26 motion, studiously kept out of the limelight yesterday. However, Bill Morris, leader of the Transport and General Workers Union, whose delegation will vote for the Unison proposition, argued that all three resolutions were comparable.

The TUC yesterday released evidence that small firms were already paying above the level of any likely statutory minimum wage. Congress House analysis of the official Labour Force Survey reveals that average pay in Britain's smallest workplaces - those employing 10 or fewer people - is £5.52 an hour. Companies employing between 11 and 19 workers paid an average of £6.33 an hour and those employing more than 50 paid £8.05.

Opponents of the law have always insisted that while larger companies might be able to afford a minimum, smaller firms would be forced into liquidation. But a MORI poll conducted for the GMB showed that three out of five small businesses supported the policy.

A study of larger companies in the retail and hotel sector by the Labour Research Department for the GMB showed that businesses could expect their profits to be reduced only marginally. The union said that Sainsbury and Tesco could expect their profits to be cut by around 6 per cent while Marks and Spencer and Safeway could expect returns to drop by 3 per cent and 1.7 per cent respectively.



Prepared for TUC debate: John Monks (left) and John Edmonds

How long does it take to earn ...

	Big Mac with small fries £2.67	Television £400	Ford Fiesta £9,300
Hairdresser £2.40 an hour	1 hour 10 mins	167 hrs	2 years
Security guard £2.30 an hour	54 mins	125 hrs	18 months
Nurse £3.80 an hour	20 mins	44 hrs	7 months
Union official £3.15 an hour	15 mins	35 hrs	22 weeks
Solicitor £17.50 an hour	10 mins	23 hrs	14 weeks
Chief executive £150 an hour	1 min 15 secs	2hrs 40mins	8 days

Calculation ignores tax and benefits

'We sit them down and say: This is all you'll get'

View from the Jobcentre

After that time they might have to reconsider and broaden their horizons a bit," she said.

The newly unemployed often have firm ideas about how much they need to earn and generally know what the going rate is for their skills. But sometimes this has actually dropped since they entered employment.

Some unemployed people do not take kindly to having to work for £3 an hour - despite "top up" benefits. "Yes ... where we encourage them to come off benefit, people will put obstacles in the way. They do things like mucking up interviews - but employers give us feedback."

"Work trials" allow both employer and employee to try each other out for three weeks and Jobcentre staff also tell

clients how to claim Family Credit and incentives such as training vouchers, which they can cash in to "top up" their skills.

Ms Kay added: "So someone

may take a part-time job in a warehouse, and they can actually use £300 training vouchers to take driving lessons. It's very popular - allowing them to make decisions as to how they want to train."

She admits that the relationship between staff and the unemployed was often poor. "Our job is instilling confidence in people. Five years ago perhaps that message wasn't getting across. It's a less confrontational relationship ... Once they know we're not here to penalise them and catch them out, then you can turn whole thing round."

Jojo Moyes

'I can't afford to lose my job. Others would take it'

A life on low pay

Dean Smith, 31, earns £3.20 an hour. This is 20p more than when he started at his company nearly three years ago - and 70p an hour more than many of the jobs advertised where he lives.

Mr Smith is a security guard at a leisure complex outside Manchester. He gets no overtime and works up to 60 hours a week, mostly evenings. "I've been doing mainly unskilled jobs since I left school. I'm married with three children and this fits in with the childcare," he said.

He recently escaped a mass redundancy of employees who had been with the company for less than two years by threatening to go to an industrial tribunal. "I can't afford to lose my job. There's always plenty of people out there who would take it."

Although Mr Smith lives in Manchester, he is often sent to other complexes at Preston or

"People don't realise what sort of life we have to lead. In my area you see jobs advertised for £2.50 an hour. The employers know you can claim family credit and they will just cut your wages," he said.

Mr Smith does not feel that his job would be in danger from a minimum wage, "because people always need security guards. That extra £1 would mean at least £35 a week for me".

He believes it would make a difference to his relationship with his employers. "I would feel differently about my employers if I got paid more - as it is they make you feel like you're not worth anything, that you're just a commodity."

"You do get holiday pay, but they calculate it depending on how many hours you've worked in the 12 weeks previously, so they cut your hours down deliberately." For last year's 10-day holiday he was paid for 19 hours.

Jojo Moyes

A blunt instrument that would fail to cure poverty

Yes
says John Crickland
Director of Human Resources Policy,
Confederation of British Industry

still significant. The issues remain the same: increased inflation, unemployment and the unknown effect of restoration of pay differentials. What really matters is what a minimum wage would achieve.

The key argument in favour has been that it would alleviate poverty amongst the low paid. But more than half of the poorest 10th of households have no wage earners at all. Only one-quarter of those on low pay are the principal wage earners in their household. Thus a minimum wage would be a very poor mechanism for targeting help to the poorest families. Poverty thrives on unemployment. The CBI believes that attention should be focused on measures to help people get off welfare and into work through in-work benefits such as family credit.

Proponents of a minimum wage claim that employers collude with their employees in order to defraud the benefits system. Yet there is clear evidence from government research that employers take no account of the in-work benefits system when determining their wage-setting strategies. While the £1.5m annual cost of family credit is significant, that money goes directly to those families whose needs exceed their earnings. A minimum wage at any foreseeable rate would not eliminate the need for such top-ups. And to the extent that unemployment is increased, the strain on the Exchequer could be multiplied, not reduced.

The goals of those who support a minimum wage are laudable. But in practice a minimum wage is a blunt and inefficient mechanism which would fail adequately to tackle poverty. It would hurt many of those it is supposed to help. Labour and the trade unions should think again.

nearly 300,000 people on average earnings. But the true cost would be higher as these figures do not take into account restoration of pay differentials or their impact on inflation.

This increase has to be paid for. Some of those on low incomes would pay by losing their jobs or the prospect of jobs. Industries such as clothing, cleaning or catering, some businesses will have no option but to shed jobs.

The costs of a lower minimum wage would be smaller but

No
says Yvette Cooper
'Independent' leader
writer and economics columnist

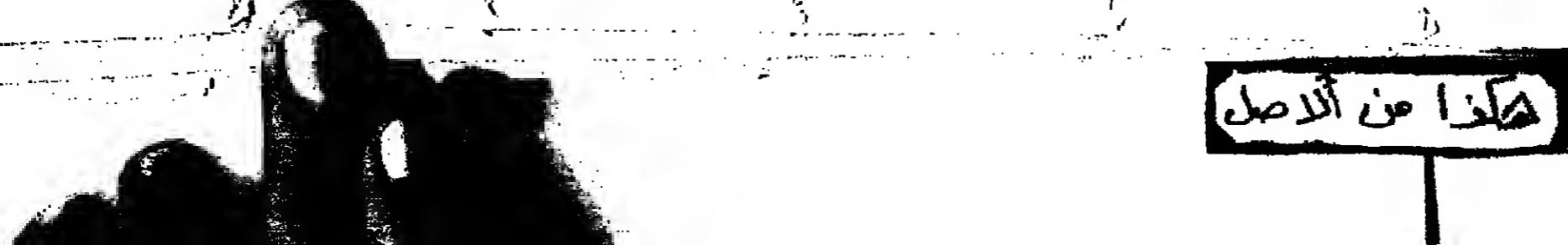
Economics demonstrated that the wages councils (and the sectoral minimum wages they set) did not hold back employment in the Eighties, nor did their abolition create more jobs.

Dean Smith's experience provides some clue to why a minimum wage need not cost jobs. Security companies are facing rising demand for their services with no competition from low-wage labour in developing countries. Wages are low because they compete with each other to keep profits up and costs down. Turnover is high as employees seek better jobs, and firms always need new staff. A national minimum wage might reduce security companies' profits. It might also make it easier for them to find motivated employees who stick with the job. But it does not follow that the minimum wage would make them cut their staff.

Moreover, a minimum wage

is crucial to the success of any strategy to get people off welfare and into work. Most jobs available to the unemployed are low paid, and leave people no better off than they were on the dole. Expanding work subsidies is the best way to provide the incentive to take jobs. But without a minimum wage, they are useless. Higher family credit payments gives employers an incentive to cut wages further. Although the Confederation of British Industry now denies that this happens, Dean Smith knows his employer already does it.

A minimum wage alone is not a solution to poverty or unemployment. In the long term, Dean needs qualifications and skills if he is to get out of poverty pay. But without a minimum wage, government has little hope of targeting resources to help people like him, and getting the unemployed into work.



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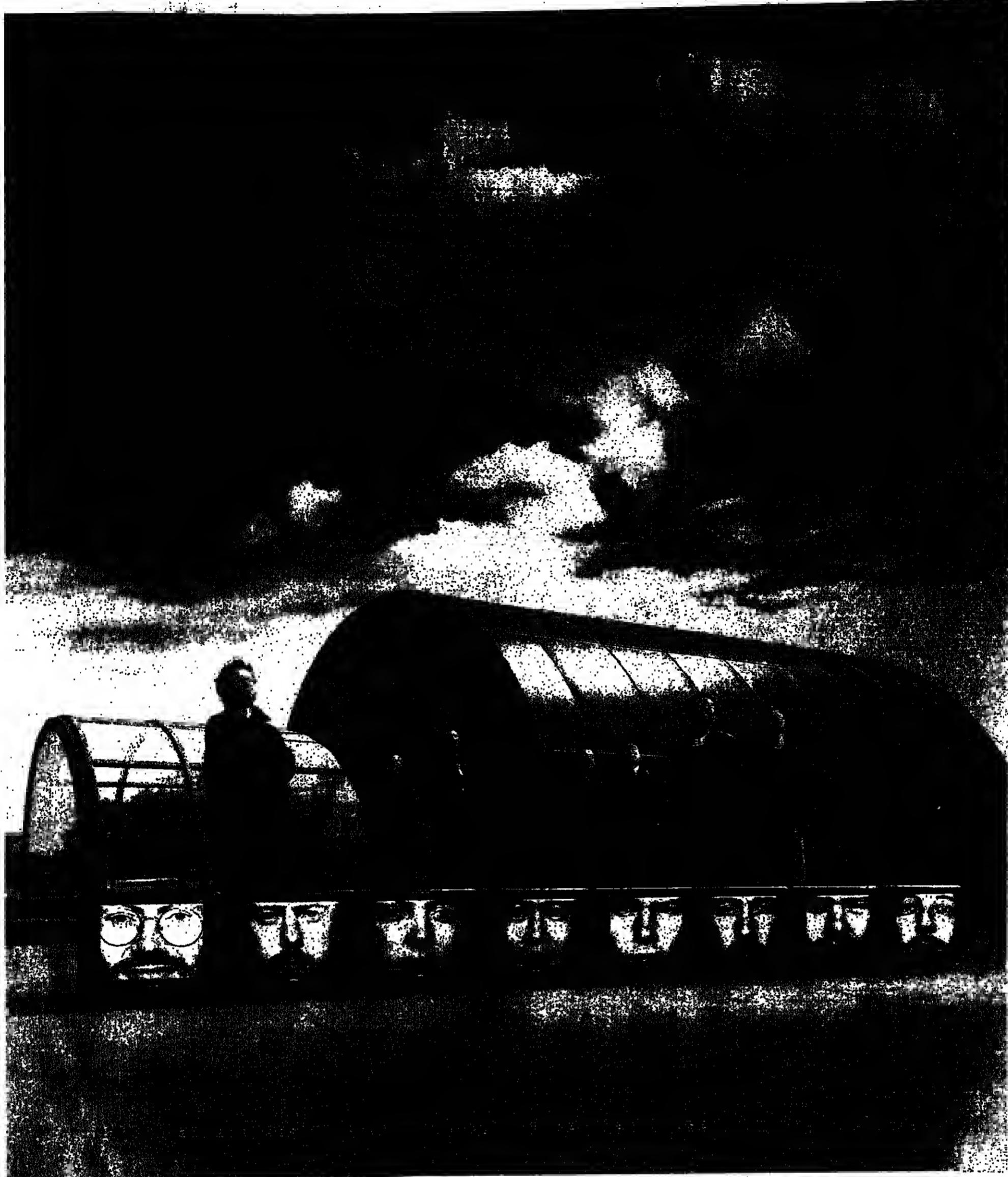
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مکوا عن الاصول

BOSNIA ELECTION

No easy walk to Balkan democracy

ANDREW GUMBEL
Sarajevo

The Organisation for Security and Co-operation in Europe (OSCE), the international body running this Saturday's elections in Bosnia, has an underground newspaper circulating at its headquarters in Sarajevo which nicely sums up its staff's blackly comic desperation about the chances of a free and fair poll. The paper is called *Mission Impossible*.

There have been many misgivings about the wisdom of holding a multi-layered

Date for postponed municipal polls remains a stumbling block

election of exceptional complexity with almost none of the usual preconditions for democratic voting, and it seems 14 September will not be the culmination of the problems so much as a stepping-stone to more.

Serbs, Muslims and Croats will elect a joint presidency and parliament as well as a slew of separate bodies that are almost certain to fill up with members of the same nationalist parties that triggered the war and split the country

into ethnically distinct units. That on its own may be enough for many international observers to decry the proceedings as a farce, but the hardest battle – over the make-up of Bosnia's municipalities – has been postponed indefinitely because of fears of the potentially uncontrollable tensions that local elections could cause.

The talk in Bosnia these days is less of 14 September than of the new date for the municipal poll. The United

States is pushing hard for November, or December at the latest, so that Bill Clinton can face his own electorate with the – rather hollow – claim that the peace process is running on track and that the US troops will be home within a year as promised.

Such a date would leave little or no time to address the underlying problems that caused the municipal elections to be postponed, and would create an organisational nightmare because of

the hard Bosnian winter. Many polling stations would be inaccessible because of snow, and it might take weeks to collate the results.

The international community may have to delay the municipal poll until next spring or summer (possibly putting off the US elections over). But that decision, too, is fraught with problems.

Not only would I-For, the international peace-keeping force, have to stay on in size-

able numbers – something that looks certain in any case – but a dispute is likely to blow up over who should organise the new poll.

The nationalist parties of the three ethnic groups are likely to argue that they should take over from the OSCE since the upper echelons of the country's political structure will then be in place. Most international observers would see that as a recipe for disaster, but the alternative – for the OSCE and its enormous staff to stay for another six to nine months – is costly and not entirely satisfactory either.



No choice: Bosnians pick their fruit

Voters go bananas over poll posters

CHRISTOPHER BELLAMY
Sarajevo

"You have the choice," say the posters. Or, to be more precise: "Choose the biggest." But Bosnia's 3 million voters might be forgiven a sceptical smile at the campaign urging them to vote on 14 September, mounted by the Organisation for Security and Cooperation in Europe (OSCE), which is overseeing the polls.

There are six posters – all representing fruit or vegetables in short supply during the recent civil war: apples, tomatoes, bananas, potatoes, oranges and peppers. "Izaberite najbolje" – "choose the biggest", they proclaim. Unfortunately, each poster has only one type of fruit or vegetable, laid out in tiered ranks. The voters of Bosnia, many of whom believe there is little choice between the candidates, may have their suspicions confirmed. And remember Mrs Thatcher's remark about her political colleagues when asked: "What about the vegetables, ma'am?" "They'll choose for themselves."

The municipal elections, the most problematic, have been cancelled, but the other five, higher-level elections are going ahead. Now the 1,200 OSCE supervisors have arrived, a full-scale campaign to plaster the country with fruit and vegetables is under way. Naturally the posters have become prized possessions, especially among students and the peace implementation force. "The potato one's pretty rare," said one I-For soldier in Bihać, where the fruit-and-veg offensive began.

There are subtle differences. On the apple poster, there is one slightly rotten apple; the bananas might be thought to resemble the Muslim crescent. The potatoes would definitely not make supermarket grade.

Surely it would have been more apt to have different fruits and vegetables intermingled on each poster.

All questions should be addressed to the advertising agency responsible. And no, it's not, as one of the I-For soldiers suggested, that well known Bosnian agency – Sacic and Sacic.

'I cannot accept seeing my children as refugees. I will again be with my people'



Amir Selman is excited, his large frame and boundless enthusiasm cramped in the small, comfortable flat he shares with his wife, parents and two children. "I started smoking again three months ago," he says, apologetically. "I was just thinking about Bosnia – I was very nervous."

For Mr Selman, fired by optimism and the memory of the way things were, is moving his family back home to Bosnia, four years after they were forced to flee the Serb-held city of Banja Luka.

He is to settle in the central Bosnian town of Travnik – "not far from Banja Luka, maybe 50 miles ... but it's another country" – and resume work as a dentist. He will be sorely needed, I say, remembering the blackened stumps and rotting mouths of too many in Bosnia. "Yes, four years is enough to destroy it; like towns like teeth."

London has been good to the family, he says in the English he learnt by watching television, but "you don't have psychological peace [here]. You have resignation. You wonder what is happening in your country". And, he adds, "We are European people. I can't accept to see my children as refugees."

The Selmans had it relatively easy compared with many Muslims living in the hate-filled badlands of northern Bosnia in 1992: they were not imprisoned, raped or tortured, but had to contend with frequent death threats. "We couldn't stay. Over the telephone every day someone would say, 'I will kill you. You have to go' ..."

In October 1992, six months into the war, the family packed up and left their house and Mr Selman's dental practice, carrying only a few bags. "I saw how normal Serbs were transformed into Chetniks, crazy people, so what could I do? I wanted to live and I knew we couldn't stay in Banja Luka."

Mr Selman's elderly parents, under the (ultimately mistaken) impression that they would be safe, stayed behind and rescued some of their relatives' possessions. After a few days in Hungary, Amir and Alma, Mira, who is now 11, and Damir, 6, switched allegiance from Take



Incredible journey: The Selman family – Amir, Alma, Mira, 11, and Damir, 6 – prepare to leave their London flat for Bosnia after four years in exile. Photograph: Kalpesh Lathigra

Emma Daly accompanies a family from London back to Travnik. This is her first report

and Damir, 6, flew to London. "The first impression was wonderful because we had escaped from the war," Mrs Selman says wistfully, still speaking Serbo-Croat. "I couldn't believe that a place could have food and water and everything, that it was normal."

The family, who were granted exceptional leave to remain in Britain, rented a flat in west London, but it was repossessed after two years and they were forced to move in with some cousins. After eight months, the local council moved them to a bright new flat, its walls now filled with Bosnian paintings rescued from their Banja Luka home by Mr Selman's parents, Mehmed and Nevzeta, who were forced to flee to safety last year, too.

Amir Selman says that he had "psychological problems" when he arrived in Britain, but he and the children have adjusted pretty well to life here. Mira, who enjoys her local school and has made many friends, has switched allegiance from Take

That to the Backstreet Boys; Damir prefers Alan Shearer.

But Mrs Selman has never settled – "She's very alone here," her husband says – and neither have the children's grandparents.

Mehmed, a retired history teacher, sits quietly as we talk in English then jumps up to show us sketches of Bosnia and a Latin inscription. He starts to speak in rapid Serbo-Croat, his frustration obvious. "He is used to communication," his son explains. "Without language he is blind."

Amir himself is eager to talk of his hopes for the future. "All my hope rests on Bosnia, on Travnik. I will again be happy, I will again have my job, I will again be with my people." He has spoken by telephone to friends who stayed in Bosnia.

"They are brave, very brave.

They tell me you can see in the air that it should be better," he says. On the other hand, he adds, "I have Serb friends here and when I tell them I am going back to Bosnia, they say, 'No. Really? You are crazy'."

They are brave, very brave.

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Damir is excited about the return, but Mira is not. "I'm scared, probably because when we go in the bus the Serbs are allowed to throw stones so they might throw stones and hurt someone."

I point out that Nato troops will escort their bus convoy, organised by Edinburgh Direct Aid, through Serb territory – although that has not stopped mobs from attacking Muslims in the past.

Mira, who was an excellent skier in Bosnia, will not miss the weather, which she says is the worst thing about living in London. "Like you can't go out because it's raining..."

For her father, the best thing is "that everyone who came here could live a normal life. You have in London maybe 200 nationalities and everyone lives together." He hopes such a life will be recreated in Bosnia; the peace plan allows refugees to cross the ethnic line and requires multi-ethnic elections next Saturday, but the nationalist leaderships – especially the Serbs – continue to block all efforts at integration.

"I think in Travnik I will work like before and live like before but I would like to go back to Banja Luka. Maybe it will be possible. Who knows?"



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Croats take over ghost town

ANDREW GUMBEL
Drvar

There is not exactly much suspense over the outcome of the elections in Drvar in western Bosnia. The Croats dominate the town and there is only one party, the Croat nationalist HDZ, that anyone is going to vote for. It would be misleading, however, to think of it as a safe constituency in any ordinary sense. Just over a year ago, it was 99 per cent Serb. All but a handful of the 18,000 population fled last summer as the Croatian Army stormed through the Krajina and western Bosnia, leaving a ghost town that is now slowly filling with Croat refugees from central Bosnia and Bosnian Croat soldiers who have been garrisoned there.

Drvar is thus a prime example of ethnic engineering – the evacuation of one nationality and its replacement with another – and also a graphic illustration of how the 14 September elections are going against the intended purpose of the Dayton Agreement. In-

stead of helping to re-unify Bosnia, the vote is turning into a political confirmation of the ethnic divisions created by four years of fighting.

But Drvar is not doing too badly; the refugees pay no rent and make full use of furniture and clothes left behind by the Serbs. With 3,500 Bosnian Croat soldiers, and teams of international troops, policemen

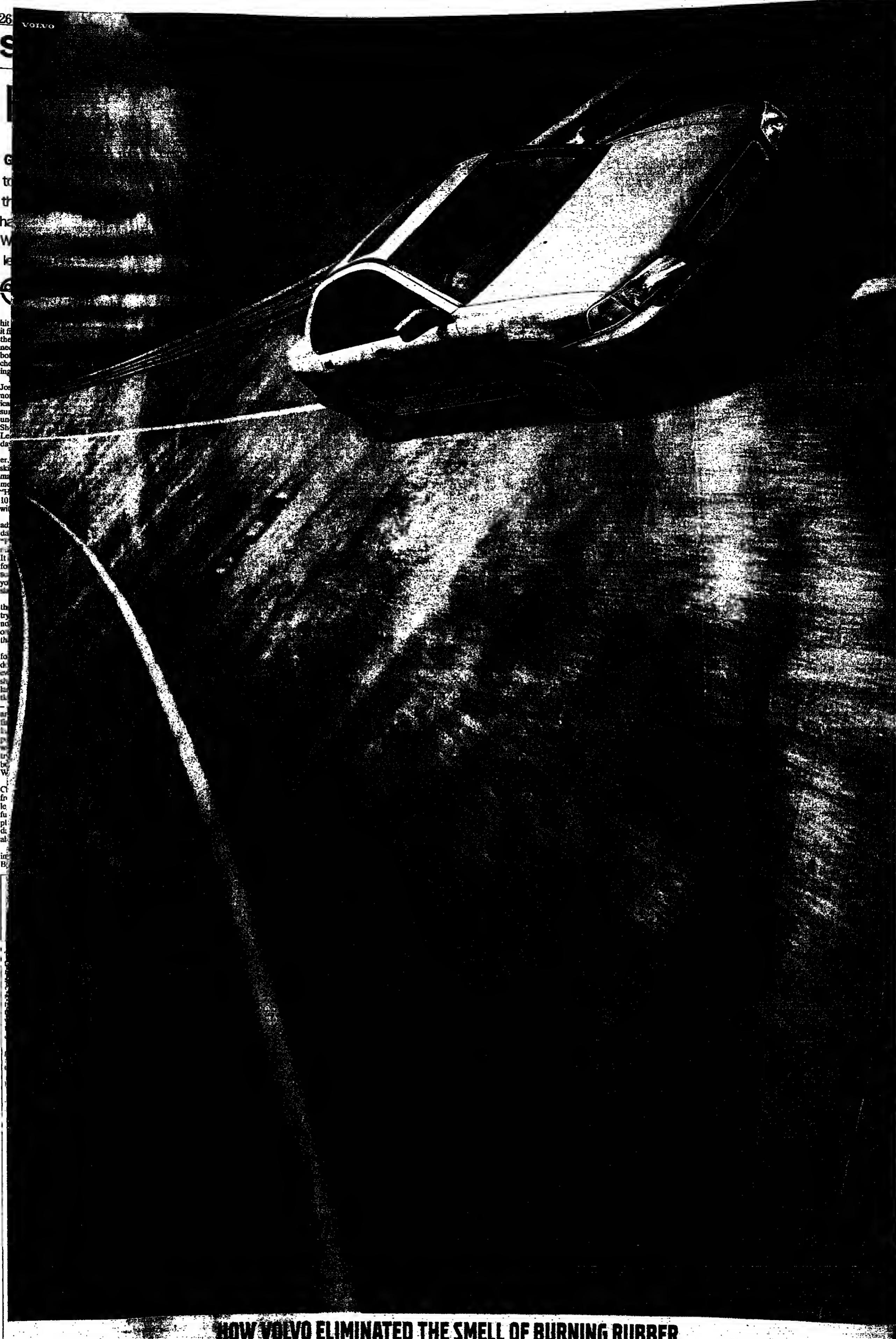
keep Croats in the area and chase everyone else away.

"If I went back home I could expect to make 50 German marks a month. Here, even with odd jobs as a driver ... I can make 500," said Mladen, a Croat from the mining town of Vares in central Bosnia. "I know Drvar is not really my home, but as an ex-soldier who spent six months on my own in the woods during the war, I am much too tired to care where I live as long as I can bring up my family in peace."

While the Croat colonisation of Drvar continues apace, Muslims are still being scared into leaving the few villages still populated in the war-ravaged areas to the south. British soldiers with I-For, the peace-keeping force, say they are the only protection for villagers against expulsion by the Croat police and army. The only Serbs left in the area are elderly or sick, but even they have had to put up with intimidatory tactics, including beatings.

Talk to the local HDZ-run authorities and they will pay lip-service to the Muslim-Croat federation and the need to re-unify Bosnia. But the local party secretary, Drago Jokimacko, could not suggest one concession towards co-existence with other nationalities.

His vision of inter-ethnic tolerance sounded distinctly ominous. "The Muslims will be as welcome here," he said, "as Croats are supposed to be in the areas they control." With tension sky-high between the two groups wherever they live together, that sounded more like a threat than an invitation.



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Exploitation of young: Police uncover smuggling ring in Italy as Belgian abuse investigation widens

Somali children sold in Europe 'for prostitution'

ANNE HANLEY
Rome

An Italo-Somali band smuggling Somali children into Italy for distribution around Europe and north America has been uncovering concern that the children may have finished up in prostitution or paedophile rings.

Eight alleged members of the band were arrested on Saturday, after a three month investigation during which 15 children were traced and placed in care.

Ostensibly destined for adoption, children aged between three and 12 were bought or kidnapped from their parents in poor Somali villages. The adults received a pitance for parting with their offspring. The children have been brought to Italy at a rate of up to three a week over the past 18 months, the police said.

Transported in the boots of cars, as parcels, or inside luggage, the terrified, starving children were taken to Mogadishu and then flown or shipped to Rome, where three couples who are now behind bars fastened them up before escorting them to their final destination.

Police have found catalogues circulated in Europe and north America, containing photographs of the Somali children available for adoption, with price tags of up to 50m lire.

Politician's unsolved murder linked to paedophile ring

SARAH HELM
Brussels

Belgium was rocked at the weekend by new revelations which could produce explosive links between the ongoing child sex horror and high-level political corruption.

On Friday, Belgian authorities announced that four men had been arrested in connection with the murder in 1991 of Andre Cools, the former Deputy Prime Minister.

The Cools murder was never solved, but has become linked with a series of major corruption scandals which have placed Belgium's political class under suspicion, and led to several resignations. The Cools affair was connected by some commentators to the Augusta scandal, which involved kick-backs to the Belgian Socialist Party paid by the Italian company in return for a helicopter contract. The affair led to the resignation last year of Willy Claes, Belgium's former Socialist minister, as Secretary General of Nato.

Yesterday a fifth man was arrested as part of the Cools investigation, and speculation was rife in the Belgian media that the arrests had come about as a result of inquiries into the paedophile ring of Marc Detroux.

For nearly a month Belgium

(£20,000) for the youngest. They voiced serious concern, however, over the fate of the older children, pointing out that few people seeking to adopt would be interested in children of that age.

The three mixed Italo-Somali couples, all of whom have young children of their own, were used to ship the Somali children on once they had reached Rome and been prepared physically for the next stage in their ordeal: with no photograph of children under the age of 10 needed on passports, the couples could ferry the children to their final destination, passing them off as their own.

Providing the necessary seal of legality to the operation, police allege, was Cahie Douglas Hassan Duale, a leading member of Rome's sizeable Somali community and a well known lawyer with chambers in the prestigious Borgo area, overlooking St Peter's.

The arrest of Mr Duale, who is defence lawyer for the Somali warlord, Abdulla Mousa Bogar, has reopened the as yet unsolved mystery of the fatal shooting in Mogadishu in 1994 of the Italian journalist, Ilaria Alpi, and a cameraman, Milan Hrovatin.

Mr Bogar, the Sultan of Bosaso, was the last person in-

dal remained undiscovered for so long, the sudden arrest of suspects in the Cools inquiry has inevitably produced speculation.

Among those arrested are former political colleagues of Cools, including Richard Taxquet and Alain van de Biest. Mr Taxquet, who was briefly arrested in 1994 in connection with the murder, was personal secretary to Mr van de Biest, a Socialist minister in the regional government of Wallonia. Mr van de Biest was yesterday charged with organising the assassination of Cools.

Three direct links between the two inquiries have been highlighted. First, when police searched Mr Detroux's garage, near Charleroi in Wallonia, southern Belgium, three weeks ago, they found a red motorbike. A red motorbike was seen in the vicinity of Cools' home at the time of his murder.

Second, there is a likelihood that Georges Zicot, the policeman arrested in connection with the Detroux case, may have decided to name names in the Cools affair. Mr Zicot is accused of protecting a group of car thieves associated with the Detroux ring. Third, the Detroux inquiry team are reported to have asked to see evidence which has come to light during the five-year Cools investigation.

It was revealed that Mr Detroux was released from prison in 1992 after serving only three years of a 13-year prison sentence for multiple child rape. The inquiries in the Detroux scandal have produced evidence of links between this ring and trading in children and pornography in Eastern Europe.

Amid the pall of suspicion over how the paedophile scan-



Caught red-handed: Young Indian women showing off their palms which have been intricately decorated with 'mehndi' paste for the Mehndi Queen contest in New Delhi

Kurdish towns fall to rivals

Koi Sanjaq, Iraq (Reuters) — Thousands of Kurds fled fierce fighting in northern Iraq yesterday as one Iraqi-backed faction captured two strategic towns held by its rivals, the Patriotic Union of Kurdistan (PUK).

Refugees raced for the Iranian border as besieged PUK guerrillas pleaded for United States' help after their lines of defence crumbled under an assault by the Kurdish Democratic Party (KDP), which captured Degala and then the town of Koi Sanjaq, in a matter of hours.

"Urgent and decisive help is needed. We call on the US-led coalition to move urgently to stop the Iraqi onslaught," the PUK said.

In Koi Sanjaq, a city of 80,000, more than 5,000 residents fled after learning of the fall of Degala. Koi Sanjaq is 100km (65 miles) north-west of Suleymaniyah, the PUK's last remaining stronghold in Iraq.

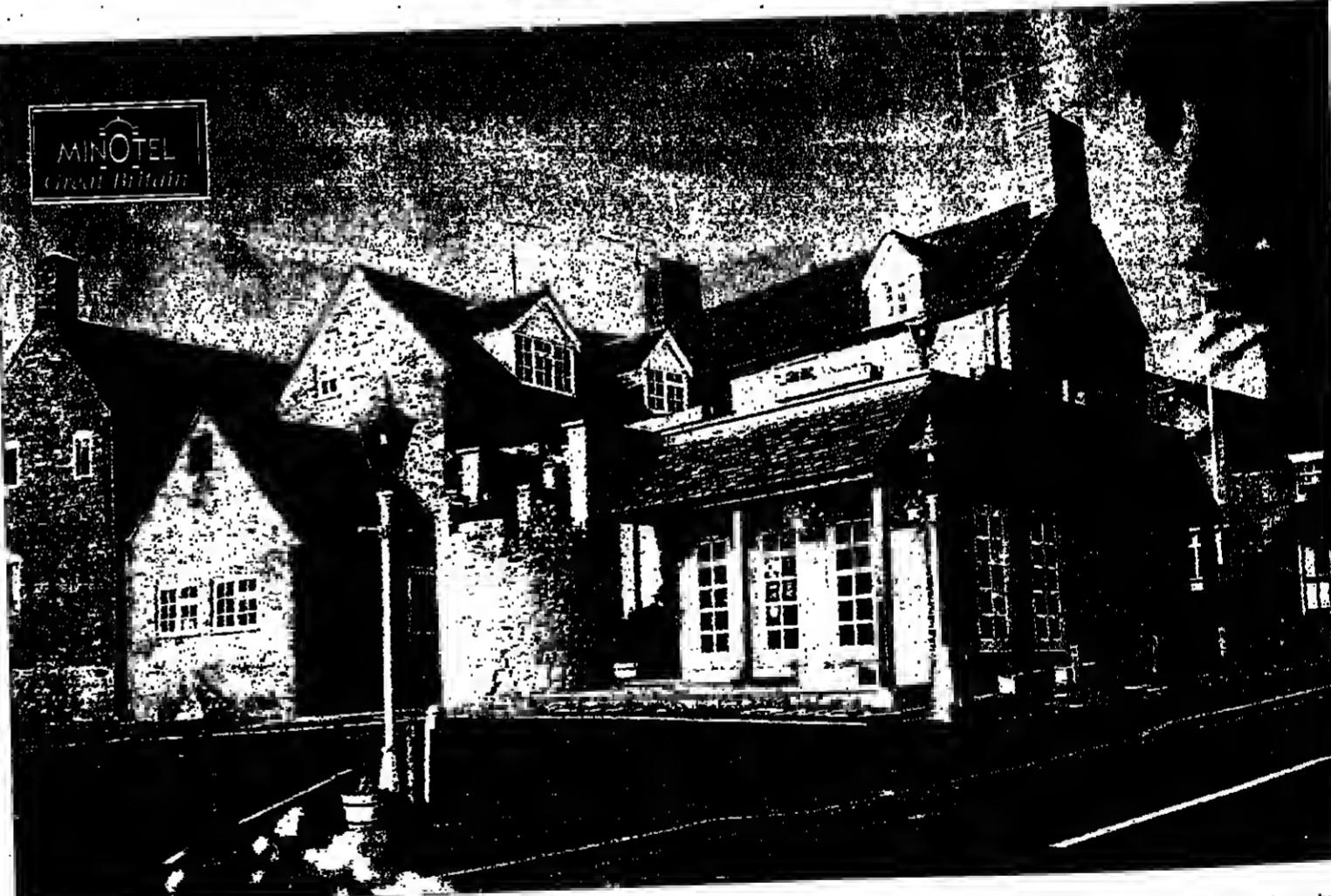
KDP officials — whose forces seized the main northern city of Arbil a week ago with Iraqi help — later confirmed seizing Koi Sanjaq in a telegram sent from their military command in Salihuddin, just outside Arbil.

The KDP denied Iraqi involvement, at least in the Degala takeover, and it was not clear if the Iraqis aided the capture of Koi Sanjaq.

In the Iraqi border town of Zakho, a KDP spokesman said: "There were no Iraqi soldiers involved, let alone tanks."

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- Vouchers must be surrendered on arrival at the hotel and can be used on one occasion only.
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Imprisoned in a land where secrecy keeps the law in its chilling grip

Moscow — Boris Yeltsin may have convinced many Russians that he genuinely wants a more open society when he admitted to having heart disease, but his words will not cut much ice with Tatjana Chernova. As the President revealed the truth to the world, her husband was sitting in a security-service prison — the victim of a nation's powerful desire to keep its secrets.

"I would like to believe that our country is not entirely run by the security services," she said wearily, "but my experi-

ence is that they seem to have penetrated every structure, every organisation. They have been openly watching me, my friends and my family, ever since ... they arrested him."

That was seven months ago. Early on a dark, cold morning, three agents from the security services arrived at their apartment in St Petersburg and took Alexander Nikitin away, telling him that they wanted him to act as a witness in a case. The charge was "betraying the Motherland" — and he turned

out to be the defendant. Ever since, he has been trying to survive in a cell of six square metres, and fighting battles for his right, first to have his own lawyer (he won), and then to get bail (he lost). Friends say that there are signs his health is beginning to fail.

Mr Nikitin's alleged crime is

to have supplied information to the environmental group, Bel-

losa, in Oslo about the dangers presented by Russia's Northern Fleet based at Murmansk on the Kola Peninsula, near the Norwegian border.

As a Russian naval sea captain, who became a Defence Ministry inspector overseeing radiation hazards, Mr Nikitin knew a lot about the subject.

Just over two months after his arrest, Bellona published a

detailed report concentrating on the findings of Mr Nikitin, who had become one of their researchers. It revealed, among other horrors, that 52 decommissioned Russian nuclear submarines were still waiting to have radioactive waste removed from their reactors; large quantities of solid waste were being kept outside special storage facilities because these were full, and liquid waste was being kept in tanks which were in poor condition. But the point of publishing his account

— which was timed for the start of a G7 summit in Moscow — was also to show that he had acquired his information from publicly available sources, and not from classified files.

The arrest of Mr Nikitin, 44, prompted rumbles from the Council of Europe, which less than a month earlier agreed to admit Russia as a member, despite its poor human rights record. It was also taken up by environmental and human rights organisations. Amnesty International has declared

Mr Nikitin a "prisoner of conscience".

Norwegian government that Russia would drop its complaints against Bellona.

But Mr Nikitin remains locked up in an FSB jail, and there is every sign that Russia will handle the case in its own way — which means he will be tried without a jury behind closed doors. Technically, treason is punishable by firing squad, but if found guilty, he is more likely to be imprisoned for 10 to 15 years.

Phil Reeves

Japanese disputes: Referendum embarrasses government while protests grow on territorial claims

Okinawa votes for removal of US bases

RICHARD LLOYD PARRY
Tokyo

In an unexpectedly decisive result which will embarrass the governments of Tokyo and Washington, voters in Okinawa yesterday called overwhelmingly for the reduction of American military bases on their islands.

The referendum in the island prefecture, 900 miles southwest of Tokyo, came almost exactly a year after the gang rape of a local schoolgirl by United States servicemen which galvanised long-standing opposition to the presence of nearly 30,000 US troops in Okinawa. The broad result had never been in doubt, but there was speculation that a low turn-out would undermine demands by the Okinawan governor for the return of land occupied by the US for the last 51 years.

In fact, slightly less than 60 per cent of the 500,000 eligible voters turned out for the poll. But 89 per cent of them voted for the proposition that the number of bases should be reduced and that a bilateral agreement which grants legal privileges to US servicemen should be revised. The referendum has no legal force, but it will affect not just the bases, but also the future of Japan's coalition government.

The Okinawan bases are maintained by the Japanese government as part of its obligations under the US-Japan security treaty, the keystone of American security policy in Asia and the Pacific. Ever since the rape last year, the government has faced escalated demands for a more equitable distribution of

bases: three-quarters of them are in Okinawa, despite the fact that it accounts for only 0.6 per cent of Japan's land area.

Matters came to a head earlier this year when the governor of Okinawa, Masahide Ota, refused to sign documents mandating the renewal of leases for small patches of land within the bases. For several months, to the embarrassment of both governments, the Americans have been in illegal occupation of tiny parts of their own installations.

At the end of last month, after a series of legal actions by the central government, the supreme court in Tokyo upheld a ruling ordering Mr Ota to sign the documents. On Tuesday, Mr Ota will meet Ryutaro Hashimoto, the prime minister and leader of the Liberal Democratic Party (LDP), the biggest of the three coalition parties.

Mr Hashimoto said last week that he would wait until after the meeting to decide on the timing of the next election, which must be held before next summer. He is believed to favour an early date, possibly at the end of October.

But if Mr Ota continues to hold out, the government may be forced to draft special legislation to speed up the process of securing the land, an unpopular move which could cost it votes and alienate its coalition partners.

Spokesmen for all three coalition parties last night acknowledged the outcome of the referendum and promised to bring about more cutbacks. "We take this seriously," said Koichi Kato, the LDP's secretary-general. "I think the government will further strive for base cuts."



Territorial wrangle: A Hong Kong demonstrator dressed as an Imperial Japanese soldier standing over a model of the disputed Diaoyu Islands. Photograph: Reuter

Tokyo's old enemies unite over islands

STEPHEN VINES
Hong Kong

Japanese ultra-nationalists have succeeded in uniting opposing political forces in China, Taiwan and Hong Kong in a manner not seen since the 1970s, when Chinese patriotic fervour was fired by Japanese attempts to consolidate its claims over a small group of islands known by the Chinese as the Diaoyus and by the Japanese as the Senkakus.

These uninhabited islands, 190 miles west of Japan's Okinawa island and 125 miles east of Taiwan, are claimed by Taipei, Tokyo and Peking. Although the dispute dates back to 1895, the United States rekindled the controversy in 1972 by handing the islands over to Japan.

Protests over the US action marked the emergence of a patriotic student movement in both Hong Kong and Taiwan. These protests were rekindled in July when 200 Taiwanese fishing boats threatened to sail to one of the Diaoyu islands and tear down a lighthouse built by the Japan Youth Federation. Since then Japan has reassessed its claims.

Some 3,000 demonstrators marched through Hong Kong yesterday and a bigger rally is being called for next week. Legislators promised to lead a protest to the islands. In Taipei, a new alliance was formed to "protect" the islands from alleged Japanese aggression.

The upsurge of protest has led to Hong Kong's pro-democracy politicians being admitted to China's de facto embassy in the colony for the first time since 1989. In Taipei politicians who advocate union with China have found a rare point of agreement with those advocating independence for the island.

The Chinese government has allowed its people to express "understandable patriotic feelings".

SIGNIFICANT SHORTS

The National Front could gain several seats in the French parliament if an electoral reform goes ahead, which would make it easier for the centre-right to stay in government after 1998. The prospect of the extreme-right gaining ground has set the French political dove-tailed, and worried MPs who are recalculating their likely majorities.

The plan came to light when the Prime Minister, Alain Juppé, confirmed a report that he was considering the reintroduction of some element of proportional representation in time for the 1998 elections, to "give a voice" to France's minority parties. While cynics suggested that the real reason was the centre-right's fear of being routed by the Socialists, another reason was also cited: the prospect that a close race between left and right in 1998 could leave a "hung" parliament in which the National Front held the balance of power. Mary Dejevsky — Paris

Aid workers, taking advantage of peace moves by UNRWA, have discovered hundreds of starving children, women and elderly people trapped in the western town of Tushanburg. United Nations officials said aid agencies had finally reached the town, which had been cut off by faction fighting since February, and had started distributing food and medicine. "Hundreds of children are barely living skeletons," a UN statement issued in the capital Monrovia said. Reuter — Voiogama, Liberia

Russian troops began pulling out of Chechnya under a peace deal signed with the rebels last month. The troop commander Vyacheslav Tikhomirov handed out medals in a low-key ceremony at the Russian military airport outside the Chechen capital Grozny, which reflected the mixed feelings over the withdrawal after 21 months of bloody, inconclusive fighting. Reuter — Moscow

A Turkish Cypriot soldier was killed and another seriously wounded when shots were fired at their post near the United Nations-patrolled buffer zone that separates Greek and Turkish Cypriots, officials said. Turkish Cypriots and Turkey blamed Greek Cypriot soldiers and warned that the incident would hamper efforts to resolve the Cyprus problem. The Cyprus government categorically denied that Greek Cypriot forces or police were involved in the incident. There were also fears that the incident was related to the killing of two Greek Cypriot men during anti-turkish demonstrations on the demarcation line last month. Reuter — Nicosia

Police arrested a man for throwing a fire bomb after a hundred of masked supporters of a mostly Muslim vigilante group marched against drug dealers in a community east of Cape Town. About 1,200 members of People Against Gangsterism and Drugs converged on the Bo-Kaap area to protest against drug dealers there, the South African Press Association reported. AP — Cape Town

President Boris Yeltsin shot more than 40 ducks and a wild boar during hunting trips near the official residence where he is preparing to undergo heart surgery, Interfax news agency said. Yeltsin shared his shooting successes with the visiting German Chancellor Helmut Kohl at dinner, Interfax added. Reuter — Moscow

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Hawaiians take first step to reclaim native paradise

David Usborne on rumblings in the US' 50th state

per cent of a population of 1.2 million, native Hawaiians suffer disproportionately from low income and high levels of ill-health, homelessness and incarceration.

Anger at the federal government is also fed by land-ownership disputes. At the time of the invasion — an act that, even though it was provoked by a invading force of United States marines more than a century ago.

Barring any last-minute legal obstacles, state officials are this morning scheduled to announce the results of a postal referendum held earlier this summer, in which native Hawaiians were asked to vote on whether to begin debating the re-establishment of some form of sovereign self-rule. If, as expected, the majority says Yes, a process will begin that could, in the most radical of scenarios, lead to the ultimate secession of America's 51st state from the Union.

The referendum is the product of a growing, if highly factionalised, grass-roots movement that has been growing among indigenous Hawaiians since the 1970s. Its goal, as well as to reinforce awareness of native Hawaiian culture, has been to seek recompense for the events of 1893, when, at the urging of US businessmen backed by sugar tariffs, the marines stormed into Honolulu and overthrew the last Hawaiian monarch, Queen Lili'uokalani.

It is barely three decades since Hawaii voted overwhelmingly in 1959 to move on from its status as a territory of the US and to become a fully-fledged state. The sense of grievance that has surfaced since then has been fuelled in part by the relatively impoverished position of native Hawaiians in the state's multi-ethnic society. Making up roughly 13

two lawsuits alleging that it was unconstitutional because it was reserved only for the roughly 80,000 native Hawaiians on the island. A federal judge ruled only on Friday that the results could be unsealed, barring any eleventh-hour court stay.

But he added that a trial to determine the constitutionality of the bill could be held.

A Yes vote would lead to the election of a 100-member convention of native delegates charged with proposing the best solution. Ms McKenzie believes the possibilities range from a demand for control of the lost native lands to a request for full Hawaiian independence.

Complicating the process, however, is the considerable diversity of the various native organisations. Among the most influential is the Ka Lahui Hawaii. Though it is fiercely so-

cialist, it objected to the referendum being sponsored by the state government and urged its constituents to boycott it.

Thus Iokepa DeSantos, who is half Hawaiian and half Portuguese and Chinese, ignored the ballot even though he is passionately sovereign. While he admits that the treatment of natives may have improved, he remains angry at how it used to be.

"My grandfather and father were tormented. Children could be beaten at school if it was found that their parents were allowing them to speak Hawaiian," he said. "I just think [the referendum] is too soon. We need to buy time to help all Hawaiians properly understand what they are voting on."

Some natives argue for the status quo in part out of fear of losing federal benefits if sovereignty is pursued. "I don't think it's the right thing to do," said Butch Soares, a hula dance instructor on the island of Kauai. "I want to have social security when I'm old."

For certain, the search for sovereignty, in whatever form, will be a long one. But a Yes result today will launch a process to give back to indigenous Hawaiians at least something of what they lost.

"We must all remember that this beautiful place we call home was once their kingdom," said Ben Cayetano, the state Governor, recently. "Few dispute that their land was stolen. And along with their land, the economic base, their culture, and their dignity. We must make amends to native Hawaiians. Justice demands it."



How the Americans moved in

In 1893, marines stormed into Honolulu and overthrew the last Hawaiian monarch, Queen Lili'uokalani. The islands became a US territory, then in 1959 a fully-fledged state. Since then the 80,000 native Hawaiians, in a population of 1.2 million, have remained relatively impoverished. A divided grass roots movement, seeking recompense and renewed awareness of Hawaiian culture, has been growing since the 1970s.

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Wake up, unions, there's a mighty job to do

It's a frustrating spectacle, the opening of TUC Conference in Blackpool this year. The journalists still gather, the cameras still roll, and BBC2 schedules to cover the debates from oration to ovation. But a part from providing us with a little street theatre, the capers of the trade unions – and in particular their leaders – seem to have less and less relevance to lives we lead.

If the big trade union barons keep drifting on their present course, they will preside over the demise of the trade union movement. Those schooled in the memories of the Seventies strikes will shed few tears. However, the complete collapse of trade unionism in Britain would be a tragedy. There is still so much of worth for unions to do, if their leaders could only raise their blinkered eyes and look forward rather than backwards. Now, as much as ever, the British workforce could benefit from the help and support of an intelligent trade union. But it will take a lot more imagination and initiative from the union mainstream to change direction and turn their fortunes around.

Employment legislation has done much to emasculate the trade unions in the past 10 years. No more strikes without ballots, no more secondary picketing. And in certain areas – notably GCHQ – no more trade unions at all. But government policy has only formed a small part of the changes

affecting the trade union movement in the past few decades. Far more striking has been the impact of economic change – and the complete failure of most of the big trade unions to adapt to the modern world.

Nothing better epitomises the unions' mistakes than their declining membership over the past 20 years. Down from 12 to seven million – 25 per cent of the workforce – union numbers have suffered from the decline in men's jobs in manufacturing, the rise in women's employment, in part-time and temporary work, and in the service sector.

But an agile trade union movement should have been able to respond to these industrial changes and recruit new members in the new, emerging occupations. After all, part-time women, insecure temporary employees, and low-paid workers in the services could do with union help every bit as much as their brothers and husbands on the factory floor. But trapped in their old obsession with protecting traditional men's jobs, and paying the price for their historical refusal to encourage the unionisation of women's work, they have sat by and watched their subscriptions fall.

Now have they managed to adjust to the end of their traditional role even in industries where membership remains high. National pay bargaining – the old arena in which union leaders strutted their stuff – has gone in many industries

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already, and may be on the way out in others. Throughout the public and private sectors pay and conditions are increasingly negotiated at a regional level, within firms, or even directly with different individuals. In an economy where human capital matters more and more, individual contracts with each of us paid according to our talents and negotiating tenacity are likely to become more rather than less common.

So the old purpose of the trades unions – to act as a countervailing monopoly to the industrial monopoly of the employer – is no longer relevant. Many, watching the platitudes mouthed

by union leaders on the conference floor in Blackpool this week, will wonder whether unions will ever be relevant again.

The tragedy is that unions should have more to do now than ever. Thousands of employees suffer from job insecurity and anxiety about their careers and working lives. More will do so in future, as we become used to switching employers and even switching occupations throughout our lives.

Today, just as a hundred years ago, employees should be joining trade unions to find security. Only now that security can't be provided by protect-

ing traditional jobs and wages. Instead, workers will seek security through the opportunity to re-skill or acquire the qualifications they need to get promoted, and through social insurance. Doing together what we cannot do alone, trade unions should be able to provide us with services that we would struggle to find or afford on our own.

Take pensions. As we switch from one employer to another, company pensions are not much use to us. Unions should all be able – as some do – to offer appropriate, reliable pensions designed for the kinds of people and professions they represent. Training too, could be well provided and validated by the union that knows exactly the kinds of qualifications needed by its members. Some trade unions are already exploring these areas. Many unions have already begun to play the role of friend in the workplace; the one who gives us the legal advice we need, backs us when we resist discrimination, harassment or undue stress, warns us if we are entitled to more redundancy payments, and represents us when something goes wrong.

John Monks, the TUC leader, at least understands the new role trade unions must play (he has been exploring ways to expand union membership into non-traditional sectors, as well as new forms of co-operation with employers), even if he has not yet had the strength or support to turn things round. Glimmers of light are starting to emerge.

Ultimately there should be a positive and prosperous future for the trade unions. The labour movement as personified by T Blair is on the up and up. The trade unions should be able to do the same. Trade unions began as craft collectives to train and skill those who entered the profession. They developed, too, as mutual societies, providing financial support and protection for members in times of hardship and need. Now their future lies in returning to those roots.

The offspring strike back

Beware as you raise your hand in temper and exasperation at your errant 11-year-old. One snacked child is taking his mother and stepfather to the European Court to protest at the violation of his human rights.

But just think how far this inter-familial litigation could go. Five-year-olds denied their favourite cartoons could claim sensory deprivation, grounded teenagers could sue for false imprisonment. And parents will have to reach deep in their pockets to pay the damages claimed by health-mad thirtysomethings, stuffed full of E-numbers and additives in their formative years.

LETTERS TO THE EDITOR

Fathers work just as hard as mothers

Sir: Polly Toynbee ("Where do all the New Men go?", 2 September) castigates fathers for doing "only" half as much household work as their partners. She fails to criticise mothers for doing only half as much breadwinning as fathers, and declares that what "women with children need is a meal ticket". Children certainly need a "meal ticket" – breadwinning is one of the most important functions of parenthood – but why should this be designated the exclusive responsibility of the father?

When commuting, paid and domestic working hours are added together, fathers work much the same hours as mothers. Indeed, some studies reveal them working longer.

Where New Men go after their children's births is into the workplace to earn the cash that will fund the special relationships their partners develop with their children. This some do willingly. Many do not. Before their babies' births, expectant fathers, no less than expectant mothers, believe they can "have it all", and are no less angry and disappointed when this proves not to be the case. For even if a New Man is level-pegging with his partner career-wise before he becomes a father, he will have been promoted beyond her by the time a second child is born and with the family now dependent on his career and his salary, must accept whatever the workplace throws at him.

The transformation of fathers into secondary parents is a subtle, dispiriting and often rapid process, built from non-existent preparation for fatherhood, women's reluctance to share power, men's fears of appearing incompetent, an often actively hostile workplace, and commentators such as Ms Toynbee who inform men, erroneously, that their presence at home is of little or no importance. ADRIENNE BURGESS Research Fellow Institute for Public Policy Research London WC2



of the road and says: "Isn't it marvellous? This road got here entirely by chance."

Dr NIGEL VAUX HALLIDAY
Liss,
Hampshire

Sir: Why is it that recent correspondents have likened God to a juggernaut of which one must hew? That is almost diametrically opposite to belief in a God of love.

ALEC HOLMES
New Malden
Surrey

Sir: How right your correspondent J Richard Pater is. Believers have a duty to protect children from dangers they believe in. I always send my child to school with a large green umbrella to protect her from Martian attacks – if only other parents would be equally responsible!

MARCHER
Tenbury Wells,
Hereford and Worcester

Sir: Perhaps the seekers after Hitler's wealth in Switzerland are barking up the wrong banks ("Discovered: Hitler's secret Swiss bank account", 6 September).

On 25 March, 1939, Bland, the Minister at the Hague, wrote to Sir William Strang at the Foreign Office: "You may be interested to know that the father of our Commercial Secretary's Dutch clerk, who is employed in the local tax collector's office, has informed

Cheque Clearance Service in the name of Eber Nachfolger GmbH, Thierstrasse 11, 22 Munich, Giro No 211846, and that, according to the inspector of taxes who in the course of his investigations discovered the fact, this account belongs to Herr Hitler."

In January, 1945, with the Germans showing a regrettable tendency to go on fighting, a committee was set up under Bruce Lockhart of SIS, Oliver Harvey of the Foreign Office and Isserman by the Chiefs of Staff, to suggest methods of "breaking the German will to resist". One suggestion was to open credits or deposit balances in a few banks in neutral capitals in the names of leading Nazis. "We should then attempt to suggest that the money had been deposited by Nazi leaders for their own purposes. The government would inform the neutral governments and invite investigations."

The effect would be to discredit the German generals and sow doubt and dissension within the higher reaches of the party.

If this flight of fancy was every carried through it would certainly muddy the waters for today's researchers.

PATRICIA MEEHAN
London SW19

Sir: As a pharmacologist I cannot understand Clive Turner's difficulty in accepting the addictive nature of tobacco merely by virtue of the fact

that there are a lot of ex-smokers in this country (Letters, 5 September). There are a lot of ex-drinkers in this country, so would he also claim that alcohol is non-addictive?

The fact that not everyone who smokes or drinks, or is prescribed opiates, becomes addicted does not alter the fact that all these drugs are capable of causing addiction or physical dependence. The risk of addiction is directly related to the frequency of use and the quantity consumed. The existence of ex-users is quite irrelevant to the question of addiction.

Dr PETER V TABERNER
Department of Pharmacology
School of Medical Sciences
University of Bristol

Wrong, Eurostar
Sir: The use of Eric Cantona to promote Eurostar ("Every man has his hour", 4 September) may lead a handful of football fans and cod philosophers to take a ride, but this is the market the company has in its sights? If seats remain empty, Eurostar's abysmal advertising must take most of the blame: one of the most wiles, offputting and ineffective campaigns in advertising history.

I've used Eurostar often, and have unreservedly recommended it to friends and colleagues; however, word-of-mouth is a slow builder of business. Meanwhile Eurostar will remain one of that very small band of products whose reality is immeasurably superior to the hype.

DAVID MARKHAM
Prating Abbey,
Essex

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Car menace in country lanes

Sir: The RAC spokesman (Letters, 3 September) was not speaking for at least one of his members when he categorised concern about traffic in country lanes as "half-baked scare stories".

As you recently revealed, 80 per cent of pedestrians struck at 40mph are killed.

Yet in measurements I have taken on a single-track winding country lane nearby, 52 per cent of vehicles exceeded 45mph, 50mph to 60mph was not uncommon (20 per cent) and the fastest actually measured was 68mph. Among those at 50mph were 7.5-tonne lorries. In one instance, I watched a mother with a baby in a pushchair, and two children holding on to the handle. Cars passed within 18 inches at up to an estimated 50mph. The slightest misjudgement by driver or child would have caused instant death.

Danger is not the only factor which deters people like me from walking or cycling on country roads. The roar of speeding traffic obliterates the "buzzing of the bees in the hedges", the pollution from exhaust fumes is all the more unpleasant when contrasted with the otherwise cleaner air, and the rapid movement of vehicles, when seen in the peripheral vision of the eye, triggers a stress reaction, raising blood pressure and adrenaline release.

R H J P HARVEY
Prating Abbey,
Essex

Stress can make children suffer

Sir: Your leading article "Stress and the Nineies child" (30 August), though I think well intentioned, does a disservice to children, parents and teachers.

Of course children have to face life as it is, with its fears and joys, its successes and its disappointments, its excitements and its doldrums, and to this end adults modify the impact of the world on the child so that the child can handle "doses of reality" appropriate to their age, maturity and ability. Mastering challenges does strengthen growth and development.

However there is a difference between facing stress, however uncomfortable, and "suffering from stress". Suffering from stress implies that the individual is no longer able to manage his or her situation and is producing symptoms which are inhibiting, self-defeating or socially disruptive. This is as true for adults as for children, and they can exhibit absenteeism, recourse to drugs and alcohol, promiscuity, physical illness, and neurosis.

However as a past chair of the Child Guidance Training Centre my concern remains for the present generation of children, who have to face a world where "there is no such thing as society"; there is a job shortage; unemployment is concealed by sleights of hand, proffering further "education"; where gross self-interest appears to override any understanding of a fabric of society which might have some equitable solutions to aspirations, or even resolutions of conflict.

Dr MARCUS JOHNS
London SW12

Libya did not give to NUM

Sir: Paul Vallely's article on Libya's Colonel Gaddafi (4 September) reports on donations given by Libya to various campaigns and activities throughout the world and states that the amounts given are "far more than was donated to Arthur Scargill's NUM here during the miners' strike".

No Libyan money was ever donated to or received by the National Union of Mineworkers or its national officials, and untrue media allegations to that effect have long since been discredited.

ARTHUR SCARGILL
President
National Union of Mineworkers
Barnsley, South Yorkshire

Black and white

Sir: With reference to Harrods' "brisk under-counter trade in Little Black Sambo" (4 September), my three children were brought up on and took great delight in the book.

My daughter spent several years working with Swapo and I like to think she played some small part in helping Namibia towards independence. My elder son numbers many members of Leicester's Asian and Caribbean communities among his friends and his brother has chosen a school for his son because of its mixed ethnic backgrounds.

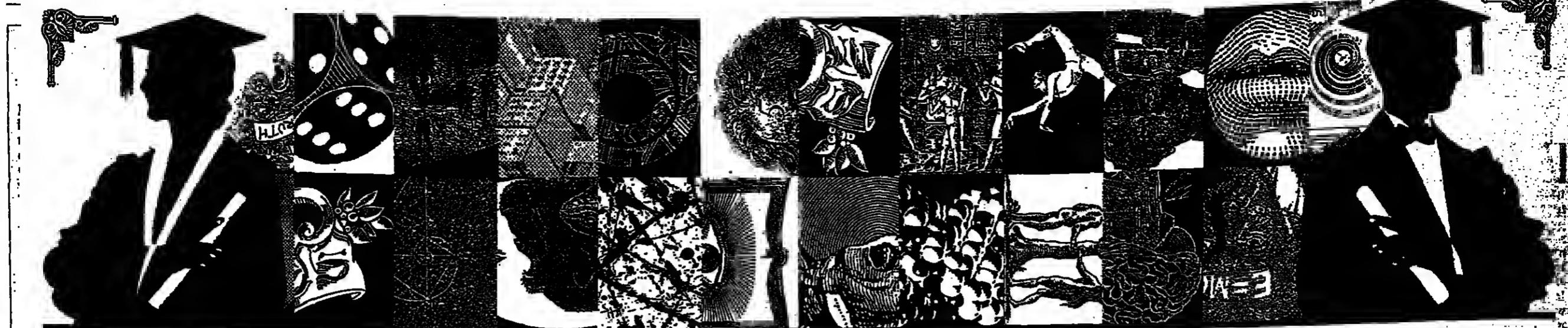
Your readers may draw their own conclusions.

JOHN D WALLACE
Baldock,
Hertfordshire

Major's moggies

Sir: Cats would bark whenever Major and Blair won the election ("Major and Blair election blow on tax", 5 September) but the fat ones would purr if the Tories got in.

DORIS HULME
Liskeard, Cornwall



The DIY university challenge



Over the past five weeks, 'The Independent' has carried 25 lectures on the subjects you always meant to study at university, but never did. The moment of truth is now at hand. To graduate, examinees must correctly answer 40 of the 50 questions asked. All graduates will receive a diploma.

The top 10 graduates will also receive a year's free subscription to 'The Independent'

WEEK ONE: 5-9 AUGUST

1. Einstein
1) Einstein's general theory of relativity only received its first confirmation in
a) 1905
b) 1919
c) 1996

2) In $E=mc^2$, c^2 stands for
a) radiation squared
b) cubic space squared
c) light's velocity squared



2) By observing the total number of creatures existing, the present day could best be called the Age of
a) mammals
b) vertebrates
c) bacteria

4. Freud
1) Psychoanalysts became especially popular in the United States in the
a) 1890s
b) 1920s
c) 1940s

2) Freud felt the best look into the unconscious came through
a) hypnosis
b) screams
c) dreams

5. Quantum Mechanics
1) Heisenberg's Uncertainty Principle shows that
a) objective experiments are impossible
b) all experiments are distorted by the experimenter
c) some experiments are distorted by the experimenter

2) Pascal wrote about
a) the harmony of the spheres
b) the infinite silence of space
c) the chemistry of the stars

3. Evolution
1) The Argument from Design was used by theologians to
a) explain evolution
b) explain Darwin
c) disprove evolution

6. Classical Architecture
1) Why might you question

the virtue of a Corinthian column?
a) because it was a debased style
b) because the finest Classical temples were Doric
c) because to ancient Greeks, anything "Corinthian" hinted at young women of famously easy virtue

2) Who thought walls were superfluous to ideal Classical buildings?
a) Friedrich Nietzsche
b) Abbé Laugier
c) Andrea Palladio



a) Apollo
b) Dionysus
c) Zeus

2) "Death of a Salesman" was written by
a) Ibsen
b) Pirandello
c) Miller

9. Comedy
1) The earliest comedies in existence were written by
a) Plautus
b) Menander
c) Aristophanes

2) Who defined comedy as "light drama in which everyone is married in the last act"?
a) George Bernard Shaw
b) Oscar Wilde
c) Jonathan Swift

10. Classical music
1) Beethoven reluctantly studied under
a) Bach
b) Haydn
c) Handel

2) Who railed against the "supraannuated system of classical tonality"?
a) Stravinsky
b) Schoenberg
c) Schumann

WEEK TWO: 12-16 AUGUST

7. Modern Architecture
1) Who said "Less is More"?
Was it
a) Le Corbusier
b) Otto Friedrich Sibenius
c) Ludwig Mies van der Rohe

2) Who said "Less is a bore"?
Was it
a) John Betjeman
b) Robert Venturi
c) Evelyn Waugh

8. Tragedy
1) Tragedy was performed at
festivals of

a) mangoes
b) small copper coins
c) wives

13. Language
1) The Kirinyago language, which is spoken in parts of Tanzania
a) has fewer tenses than English
b) has more tenses than English
c) cannot handle the concept of tenses at all

2) To produce a grammatical sentence of their own, children
a) don't need to have heard it before
b) need to have heard it before frequently
c) can succeed if they've heard it just once before

14. Economics
1) Inflation is caused by
a) the economy growing faster and faster
b) consumer demand growing faster than economic output
c) interest rates going up



11. DNA
1) James Watson, co-discoverer of the double helix model, was a long-time opponent of:
a) biochemistry
b) ecology
c) the Human Genome Project

2) The structure of DNA was discovered in
a) 1933
b) 1953
c) 1973

12. Anthropology
1) The first main group that Evans-Pritchard studied was prone to poisoning
a) chickens
b) each other
c) visiting anthropologists

2) Claude Lévi-Strauss made a study of people who "stitched together" factions by exchanging

WEEK THREE: 19-23 AUGUST

15. The Brain
1) The brain's weight begins to shrink from about the age of

a) 15
b) 25
c) 35

16. Renaissance art
1) The Renaissance began in which Italian city?
a) Venice
b) Rome
c) Florence

2) The ceiling of the Sistine Chapel was painted by
a) Leonardo da Vinci
b) Michelangelo
c) Raphael

17. Modern art
1) The Fauvists were led by
a) Matisse
b) Seurat
c) Braque

2) Who complained of those who preferred the shaggy posterior of a satyr to the moral feeling of landscape?
a) Constable
b) Turner
c) Gainsborough

18. Opera
1) Monteverdi's *La Favola d'Orfeo*, the earliest opera still regularly performed, was first performed in

a) 1607
b) 1622
c) 1661

2) Which of the following has the highest vocal range?
a) counter-tenor
b) contralto
c) soprano

19. Ballet
1) Margot Fonteyn's real name was

a) Hilda Boot
b) Hilda Munnings
c) Peggy Hookham

2) Which toe-dancer's satin slippers were stewed and eaten by adoring fans?
a) Marie Taglioni's
b) Ninette de Valois's
c) Lydia Sokolova's

20. Myth
1) Who ate the salmon of knowledge?
a) King Arthur
b) Cuchulain
c) Moses

2) Which future Pope found a novel way of defending Bernini's *Apollo and Daphne*?
a) Sixtus V
b) Alexander VII
c) Urban VIII

WEEK FOUR: 26-30 AUGUST

16. Renaissance art
1) The Renaissance began in which Italian city?
a) Venice
b) Rome
c) Florence

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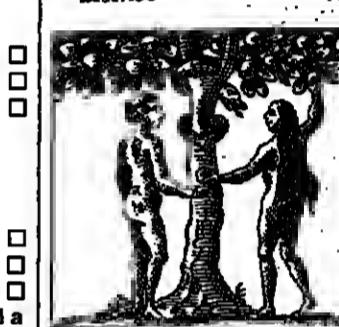
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b) contralto
c) soprano

19. Ballet
1) Margot Fonteyn's real name was

b) fewer items than syllogisms could
c) has no overlap with the items syllogisms can describe



24. Ethics
1) Who described Utilitarianism as "pig philosophy"?
a) Bentham
b) Nietzsche
c) AJ Ayer

2) Who said "Hell is other people"?
a) Orwell
b) Ionesco
c) Sartre

25. Truth
1) Science is generally thought of by working scientists as
a) true
b) approximating the truth
c) arbitrary in what it declares to be true

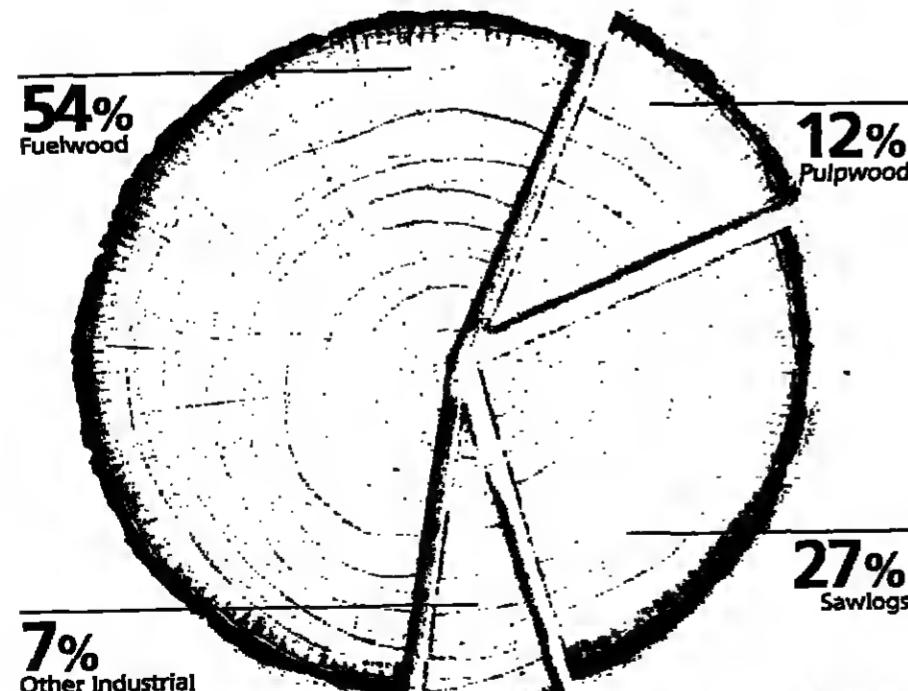
2) Renaissance painters had no concept of progress in art

b) sometimes believed there could be progress in art
c) never believed there could be progress in art

26. And finally...
Choose one of the above subjects and précis it not more than 50 words. Marks, to be used in the event of ties, will be given for concision, wit and accuracy.

Entries should be sent, together with name, address and phone number, to: *The Independent*, 1 Caada Square, Canary Wharf, London E14 5DL. Closing date for entries is 18 September 1996. The judges' decision is final.

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Lived by the NEWSPRINT & NEWSPAPER INDUSTRY ENVIRONMENTAL ACTION GROUP

Smoky bacon shampoo. Believe it

The idea of putting alcohol in lemonade and other innocent products is catching on faster than you think. Here's a check-list of some of the new give-you-a-lift items now on the market!

"Moonshine" Hair Shampoo and Conditioner

It is now commonplace to add food products to shampoo you can already find (lemon, avocado, seaweed, and other edible things in shampoo), and it's only a matter of time before they add smoky bacon, and salt and vinegar), but this is the first time that wine and spirits have been commercially added to shampoos. The theory is that alcohol can actually be taken in through the scalp, so it is possible to get mildly intoxicated while actually washing your hair. Four flavours: vodka, gin, whisky and aloe vera and tonic.

High Kick Aftershave

Aftershave does already contain a minimum of alcohol - the stuff wouldn't be called Brut otherwise - but High Kick are the first people to go for it and produce what they

coloured sweets marked variously as "Claret", "Burgundy", "Hock" and so on. Later on they encounter real wine for the first time, and it is a moment of total disillusionment - wine tastes horrible, nothing like the wonderful, chewy, long-lasting sweets they remember from their childhood. Wine does not leave nice bits stuck under your gum. Wine comes in only one colour - red, or less red. After wine gums, it takes a long time to get used to boring old wine. But now Really Real Wine Gums have put all this right by producing a wine gum which really does contain wine, and tastes like wine, and which, taken in sufficient paper bags, can make you drunk! Be on your hooch to be a wine gum snob.

High Kick Aftershave

Aftershave does already contain a minimum of alcohol - the stuff wouldn't be called Brut otherwise - but High Kick are the first people to go for it and produce what they

other way - it actually comes in four different alcoholic flavours: rum, whisky, sherry and beer. So, if for instance you come home smelling of whisky, all you have to do is brush your teeth with whisky-flavoured toothpaste. With A Taste! Then, when your loved one says accusingly, "You stink of Scotch!" you simply say, "Not surprising, my dearest - I have just been brushing my teeth!"

Saint-And-Go Paper Tissues

Alcohol-infused tissues will soon be all the rage among the older set. If young people can have their lemonade spiked, then surely the oldies can sit and still have a good time. Have a good look next time you see a pensioner apparently suffering a bad case of the sniffles. That smile will give him away...

"Cheers!" Dog Biscuits

Most cat and dog foods have traditionally been aimed at giving the pet added vitality, but what about the household animal that already has for

too much vitality and needs calming down a bit? We all know the kind of dog that chases its own tail all day long till it drives you crazy, or the kind of cat that fills all its spare time scratching chair and table legs!

Well, at last there is a pet food which deals with them, because "Cheers!" Dog Biscuits (and "Scat" Cat Pills) now have alcohol in them, and the effect is instantaneous. Take a couple of these, and your hyperactive pet will slow down to a reasonable pace. Take a couple more, and it will be walking unsteadily. Two more and it will keel over where it stands and go into a deep sleep - and boy, will it hangover slow it down when it wakes up! Made by Bob Martin's Pet Products.

Lucky; I have access to all those products and many more, such as alcohol-scented shoe polish, spray-on alcohol for cut flowers, etc., etc. If you need one, just send me a list and a blank cheque...

هذا من الأصل

Financial crime is theft, pure and simple

Fraudsters may not physically rob individuals of their cash, but their victims will suffer none the less

The specialised vocabulary we use to describe financial crime prevents people from seeing clearly what it is stealing. Often, financial theft is made to look like something else.

It may not always be easy to see exactly how a financial burglary has been carried out. Rows of figures in computer print-outs are not as instantly revealing as a broken window or a forced door. But the result is similar. In the case of the Lloyd's insurance market, for instance, its pin-striped criminals created "baby" underwriting syndicates to which they directed their best business exclusively for their own benefit rather than that of their investors (the so-called "names"). Diverting profits in this way is called fraud; this technical description of a form of theft should not disguise the nature of the crime. Some of the apparently respectable participants in the Lloyd's insurance market were, until recently, thieves.

Now another revered City institution, the

merchant banking house Morgan Grenfell, is trying to establish whether one or a number of its employees - all middle-class executives - have been picking their customers' pockets, while their colleagues turned a blind eye. At risk have been the sums placed by three of Morgan Grenfell's trusts by 90,000 investors. That is where the equivalent of footprints in the flower beds and a ladder in the wrong place have been found. The evidence appears to be investments in mysterious Scandinavian companies, not quoted on any stock exchange, made via Luxembourg holding companies.

If malfeasance is proved, the crime will have been no less serious than robbing an old lady in her cottage.

There are two basic forms of crime in the financial markets, each with innumerable variations. One is to create a false impression of value; the other is to put your clients' trading profits into your own bank account rather than theirs. In a common version of the first, above-average returns on investments are promised. However fishy this may look, there are always a number of fools who are tempted. These greedy folk are paid what they have been promised, not out



ANDREAS WHITTEAM SMITH

of wise investments made on their behalf, but out of their own money, although they don't realise this. They are pleased and word of their "good fortune" spreads. More investors are attracted and their funds are used in the same way. The system works so long as new investors keep coming forward.

The best recent example is Barlow Clowes, the financial company which collapsed in the late 1980s owing £225m to 11,000 mainly elderly investors. At the subsequent trial of Peter Clowes, prosecuting counsel put the case with brutal frankness: "You persuade people to entrust their savings to you by telling them that they will be kept safe in a particular rock-solid invest-

ment. You don't put the money in rock-solid investments but use it to live the life of Riley. You make good the deficiencies that come up with fresh money from new investors and you lie and cheat to cover your tracks."

Morgan Grenfell's problems look to be essentially of this type, only in this case the face value would have been created by over-valuing shareholdings in dubious companies. The result would be to inflate the prices of the bank's unit trusts. In turn this would attract investors to place more money with Morgan Grenfell than they might otherwise have done.

Just a week earlier, the equally prestigious City firm Fleming illustrated the second form of financial crime when it was fined a substantial sum and forced to compensate its customers on a massive scale because one of its dealers operating in Hong Kong had systematically placed profitable trades into his own account rather than his clients'. This is very similar to the Lloyd's example. The Fleming executive dealt in a particularly volatile type of security. When trading was finished he decided which transactions should be booked to which accounts. The person concerned has since made good

clients' losses. But it is intimated that no criminal proceedings are expected.

I hope that at least a criminal investigation is going on. *Prima facie* a crime has been committed. The employer has been fined, compensation is being paid, funds have been put back, the dealer himself has resigned. But, straight away, we run into the special difficulties of financial crime. Is it the City of London police or the Hong Kong police who should mount an investigation? Have not the financial authorities, quasi-official as they are, already inquired, reached a conclusion and passed sentence? Do the police need to repeat this work? If they do, will a conviction be obtained? Because juries naturally find it difficult to understand complicated financial manœuvres, they are more reluctant to convict than they should be.

These are real difficulties, but I think that they are also excuses. Middle-class people like to believe that crime is solely committed by an unruly, out of work, ill-educated fringe of society, which has nothing to do with them. That is why nobody in the City calls financial crime what it actually is: a sophisticated form of stealing.

Synonyms to call one's own

William Hartston assesses claims to words by association

The word "dictatorial" has been Blaired around a good deal this week, indeed so much that the Labour leader's associations with the word have overtaken those of the iron lady herself. Of the 852 instances of the word "dictatorial" on our database, there are now 73 associated with "Blair", 58 with "Thatcher" and only 23 with "Saddam". But will Tony Blair succeed in capturing the word for himself in the way that "doe-eyed", for example, immediately evokes one particular name, or, a few years ago, "fragrant" needed no more identification?

In order to claim a particular phrase for one's own, one should be required to capture a certain percentage of all its usages. So let's see how some phrases and their main users fare. The table below indicates the number of appearances of given words or phrases in the database, and the number where the phrase occurs in the same article as the indicated name or names.

big ears	338
big ears & Noddy	165
big ears & Charles	46
bruiser	630
bruiser & Clarke	99
bruiser & Prescott	44
crybaby	79
crybaby & Gascoigne	8
cuckold	223
cuckold & Parker Bowles	37
doe-eyed	259
doe-eyed & princess	47
fragrant	1,737
fragrant & Archer	89
incandescent with rage	135
& Major	33
toe-sucking	457
toe-sucking & Fergie	228
toe-sucking & Mellor	121
& Mellor	14
waif-like	345
waif-like & Kate Moss	83

Thus of the 630 instances of the word "bruiser", 99 occur in connection with Kenneth Clarke and 44 with John Prescott. In other words, Kenneth Clarke has a bruising 15.8 per cent of the bruiser market compared with Mr Prescott's 7.0 per cent.

Mary Archer, once the very personification of fragrance, now claims only 5.1 per cent (but our database only goes back to 1993). Similar calculations enable us to arrive at a definitive top 10 based on percentages (we exclude Noddy, who is only in the original list through association):

1. toe-sucking Fergie	49.9
2. toe-sucking Mellor	26.4
3. incandescent with rage	
Major	24.4
4. waif-like Kate Moss	24.1
5. doe-eyed princess	18.1
6. cuckold Parker Bowles	16.6
7. bruiser Clarke	15.7
8. big ears Charles	13.6
9. crybaby Gascoigne	10.1
10. dictatorial Blair	8.6



Waiting game: we back away from the horror of the lives these people lead
Craig Easton

the frail old with no one to care for them are drugged, tubed, bagged and placed in dying rooms

long way off, maybe, but as pricing per case becomes a more exact science, we may also start drugging and intubating old people to ensure that patients meet a criterion laid down by purchasers before they pay the provider hospital.

We like the Americans, shudder and look away from the process of dying. Maybe a lot of people will stop reading this by now. Tonight on Channel 4, Paul Watson (*The War Game* and *Sylvia Waters*) directs an elegant film called *The Home*, about life in one of the nicest of average homes. He thinks many people will probably switch off, rather than watch this living death. The film has a moralising tendency to look for neglectful children to blame for these people's lonely

blame this misery on someone. But I find a much clearer message than that. Two of the residents want to die. A poor young priest is caught idly off guard when he asks deeply religious Elsie, "Is there anything you want me to pray for?" "Just pray I die, that's all," she says. He founders furiously and instead processes "give thanks to God for the gift of life".

Of course it is easier for us to fulminate about "the system" or the callousness of modern society. But for most of us decrepitude itself is what we fear. The right to escape that fate when we choose would take away that fear.

This is the last great frontier in the battle for human rights. The right to life is not enough - we must have the right to refuse life too.

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The archbishop's book of revelations

Lord Runcie is dismayed about a new biography. But controversy was inevitable, says Adrian Hastings

Robert Runcie chose Humphrey Carpenter to be his official biographer just before he retired as Archbishop of Canterbury in January 1991. A book will be published next month and extracts have begun appearing in a newspaper serialisation.

Lord Runcie knew he was being taped and at great length; he lay down no condition as to the use of this material. He had, it seems, always wanted publication to await his death. But again he entered into no agreement to that effect. Carpenter, understandably, wanted the book published once it was finished. What use would it be to leave it in a cupboard for another 10 years or so? And what alternative had Carpenter to concentrate on the more sensational issues in what was otherwise a calm, useful and largely undistinguished life?

Lord Runcie is not unkind. He is not a theologian or systematic thinker. There is no collection of published material to get your teeth into. The life of a priest who has for years been a responsible theological principal and diocesan bishop is hardly thrilling. If you want a biography and don't choose an ecclesiastic historian to write it, what can you expect but con-

cernation on gay clergy, Garry Bennett's tragic suicide after penning a preface to *Crockford's Clerical Directory* that was critical of Runcie; Terry Waite's over-glamorous missions; and indiscretions about the Royal Family?

Humphrey Carpenter surely had the right to go forward, and Lord Runcie's bitter response that "I have done my best to die before this book is published" - provided as a postscript to the book - seems rather belated wis-

dom and can have little effect other than to help sell the book.

Mr Carpenter is not unkind. And yet ... If Lord Runcie was unwise to choose him in the first place, and still more unwise to impose no conditions when talking for hours off the cuff into a tape recorder, one may still feel that Mr Carpenter has betrayed the trust of his father's old friend and the tradition of moral responsibility implied by the "official biographer" of an

Archbishop of Canterbury. Something more weighty was needed.

The book is unlikely to do the reputation of either man any service. Yet neither is a villain, and it would be silly to blacken Carpenter as a biographer, just as it is silly to denounce Runcie as being an inadequate archbishop.

Lord Runcie's enemies will, of course, turn the knife in the wound as far as they can. It will do no good to their church, and most of the critics are misguided.

Take the case of Garry Bennett. Mr Carpenter quotes the remark in Dr Bennett's diary that he had hoped to be made Bishop of Oxford, when Richard Harris got the job. Yet it is ludicrous to think Bennett could have been chosen - one less suitable is easily imaginable. But the fact that Carpenter does not seem to see this (nor Bennett's friends either) simply shows how far they are detached from reality.

The most Runcie might have found for Bennett was a cathedral canonry. Probably he was wrong ever to suggest he might arrange anything. But Bennett was an able church historian and had been a useful speech-writer for him on many occasions. A modern archbishop still has considerable openings for patronage, but also the imbal-

ance of Canterbury. Some- thing more weighty was needed.

It

is to force someone through against reasoned opposition.

That

was Runcie's problem all along - the appearance of extensive authority but very little power. He saw his main task, correctly, as one of holding the different sides of a divided church together, not one of imposing his own view. Intellectual leadership can actually come better from someone else than Canterbury.

He has been denied for "sitting on the fence with both ears to the ground". But is that not actually quite a responsible position for a leader while great debates are going forward between enthusiasts of differing views?

As Anglicans sensibly refuse to credit their primates with infallibility, what more can they require? In Lord Runcie's own almost agonised words: "If anybody thinks it is easy and it doesn't cost very much to your personal soul to pursue the middle way, if anybody thinks that it's simply trying to please everybody like a chameleon, let them come and try and ponder the scripture and say their prayers and hold the Church together."

The writer is the author of "Robert Runcie" (1991) and Emeritus Professor of Theology at Leeds University.

obituaries/gazette

Merlin Thomas

Merlin Thomas was an outstanding teacher of French literature and language as well as an enthusiastic provider of theatre in the Oxford of the Fifties, Sixties and Seventies.

He held a Fellowship at New College (where he remained throughout his career), to which he was elected in 1952 after completion of his DPhil thesis on the *Quart Livre* of Rabelais. Yet he seemed to be of a disposition to look on scholarship less as a passage to research achievement than as matter and insight for direct communication (the study of Rabelais led directly to lectures on the French humanist tradition), in which he was a product of the Oxford of his time. He was an excellent linguist; furthermore, French and France gave him something he perhaps valued more than he realised – another identity. And beyond this he had the gift of empathy, with both his subject and his students (graduate as well as undergraduate), to whose interests he was totally devoted.

His publications were few: two school editions of modern French plays, of which one – dealing with Anouilh's *L'Atouette* – has enjoyed continuing success; a Festschrift for W.G. Moore, *Molière: sage and study*, edited by him and William Howarth in 1973, on the occasion of the Molière centenary; *Louis-Ferdinand Céline* in 1979; and with Raymond Escoffey, the *Penguin French Dictionary* in 1985. His advocacy of Céline as novelist and polemicist was the outcome of a notable series of lectures, which with earlier sets of lectures, more particularly on Balzac and Zola, led to a projected critical study of the 19th- and 20th-century French novel, which illness prevented him completing. Most likely, the format of the lecture with its emphasis on performance suited him best.

His pursuit of theatre was wholehearted and falls into three phases: his organisation of Oxford University Drama Society tours in France, propitiously launched with an invitation to the Avignon festival in the trail-blazing days of Jean Vilar, and continuing into the Fifties; his close association (as directorial board member) with the now legendary Meadow Players, founded by his friend Frank Hauser in 1956,



Thomas: the gift of empathy

who was its director of productions until the mid-Seventies, in the reopened Oxford Playhouse; finally, his own productions with the Oxford University French Club of rarely seen French classical theatre at the Playhouse (a performance of *Le Mariage de Figaro* was given to mark the play's bicentenary, in the presence of Jacques de Beaumarchais, the playwright's direct descendant).

Thomas was the only child of a Congregationalist minister, whose calling required him to move home at regular intervals. He attended first Bolton School, then Taunton School, from where he won a scholarship to New College. However, before taking this up, he chose to spend six months in the French Alps at Grenoble, where he undoubtedly developed his mountaineering skills (these remained with him: his post-war room in a corner of the New College quad provided a traverse which had to be undertaken without touching the floor) and a short period teaching at the Dragon School, Oxford, where he was strongly impressed by Jock Lynn's libertarian methods. He graduated in Modern Languages in 1941, thereafter serving in the Army until 1946 when he returned to New College as tutor and lecturer in French.

Thomas played a full part in the life of the university. If he showed signs of developing a taste for intrigue in college politics this was not entirely out of character nor inconsistent with the centrality of college life. He had fierce likes and dislikes, expressed with gusto, and his invariably good-humour (characteristic was his view that the Maison Française under a new

director was acquiring an unacceptable "PPE strain"). To some extent he lacked tolerance where his sympathies did not lie, and this at times affected his judgement of people; but he was quick to puncture pretentiousness and self-importance. He always had the outlet of a social life away and apart from Oxford. Vacations were spent in France and in Italy, which early on became a second home with a flat of his own in Syracuse close to his great friend Giovanni Saleri, who lived there with his wife and family. Increasingly after retirement he came to centre his life there and visits to Oxford grew more infrequent. Sicily more than anywhere else afforded him sanctuary.

In him there was a degree of tension between the public and the private man, and certainly at times he gave the impression of not being quite at ease with himself. He was uneasy too if certain codes of behaviour were breached: many conventions he eschewed, but unconventionally disturbed him as did a too public display of eminence. These contradictions may have contributed to his full and real charm, hint made for emotional loneliness. The lasting impression, however, is of his good nature and generosity. In his Savile House rooms he was always accessible to those who needed him, unaffectedly welcoming to friends or as host in the spontaneous parties he threw. He was a good raconteur and the ideal companion.

His colleagues and friends (many of them French) and students (who often became friends) valued him highly, as did them, being ever solicitous for their welfare (a remark of his – "I have to tell you Gianni does not like chicken" – with each syllable given English-as-a-foreign-language articulation, on being offered roast fowl at an al fresco meal in Normandy, stays in the mind).

Among his recreations were strenuous hill-walking in Wales in all weathers, reading and accounts of mountaineering, and listening to Italian pop music.

Simon Lee

John Merlin Thomas, French scholar, born Coventry 10 May 1926; Fellow and Tutor, New College, Oxford 1952-87; died Syracuse 17 July 1996.

Susan Cowdy

Susan Cowdy was a well-known figure in the conservation of the natural history of her native Buckinghamshire, and at a national level through her work with the British Trust for Ornithology (BTO), the Royal Society for the Protection of Birds (RSPB), the Bardsey Island Trust and other bodies.

She first visited Bardsey Island – the nature reserve in North Wales which is famous for its breeding sea-birds and the rare red-billed cormorant, the cormorant as a volunteer cook at its recently founded bird observatory in 1957.

From cook she graduated to council member of the observatory and began a study of the island's cormorant population. In Britain this is a very rare breeding bird found in the Celtic fringes in west Wales, the west of Ireland and south-west Scotland. Later that interest led to the setting up of a national census of the species through the BTO. In 1976 she was the prime mover of the appeal that led to the purchase of the island and the establishment of the Bardsey Island Trust.

She was also active in her native Buckinghamshire. She played a key role in the development of the Berks Bucks and Oxon Naturalists Trust, and was instrumental in creating a series of nature reserves in the

area – choosing the sites, persuading landowners and farmers to co-operate and raising money for purchase. In the 1970s she founded the Bucks Bird Club and served on the councils of both the RSPB and the BTO and was vice-president of the latter. Though she was always keen to promote others, honours did come to her. She was Bernard Tucker Medallist of the BTO in 1968 and in 1995 received the highest honour the conservation world can offer, the Christopher Cadbury Medal of the Royal Society for Nature Conservation.

Born Susan Stewart-Liberty in 1914, she grew up in the Chiltern village The Lee, owned and remodelled by her family, whose business was Liberty's, the Regent Street store. Her childhood was a blend of influences which included the circles of artists and craftspeople associated with the shop, the natural world of the Chilterns, horses and hunting with the Old Berkeley, and a large and close-knit family. An early marriage took her to Northern Ireland where John Cowdy, her husband, worked in his family's linen business. He, like her, was an accomplished point-to-point rider. Susan Cowdy, soon with three small children, did not become an isolated young mother. She had a wide circle of varied friends, and childcare became largely a matter for the nanny while she bought, broke and sold horses to supplement the family income. The family returned to The Lee during the Second World War, and it was after her children left home that her childhood interest in natural history and especially birds came to the fore.

Susan Cowdy had the capacity to get people to enjoy doing exactly what she wanted them to do. She herself was always willing to turn her hand to anything. She had little relevant formal education, but through talking, reading and observation she was as knowledgeable as many professionals.

Her home was the hub of this activity. People came and went continuously. Round the kitchen table might be a near neighbour responsible for the catering at the local bring-and-buy sale; a prominent figure in the international conservation movement; a teenager in need of a temporary refuge; a plant ecologist; a lobster fisherman from Llynnon en route to the Boat Show in London; all engaged with Cowdy in animated discussion of Bardsey Island policies or the likely winner of the Cheltenham Gold Cup.

Unlike most naturalists of her generation she did not travel the world when cheap airfares became available. The British Isles provided more than enough to delight her eye and her curiosity. The New Year would usually find her on the north Norfolk coast or at Gibraltar Point in Lincolnshire, eyes watering in the easterly blast as she identified waders. Spring was the time for the flowers of the Burren, the choughs of western Ireland and visits to Irish relatives – Bardsey drew her in the migration season. But perhaps she was happiest of all walking the dogs in the beech woods and on the downland of the Chilterns she came to love in her childhood.

People always interested her as much as the natural world and almost to the end of her life she would delight local audiences with scurrilous talks about the five generations of her family who had lived in her Chiltern village.

Martin Richards

Susan Stewart-Liberty, natural historian and conservationist: born The Lee, Buckinghamshire 6 August 1914; MBE 1981; married 1935 John Cowdy (died 1974; one son, two daughters); died Stoke Mandeville, Buckinghamshire 9 July 1996.



Births, Marriages & Deaths

MEMORIAL SERVICES

MUNRO KERR: A memorial service for Duncan Munro Kerr will be held at 3pm on Monday 28 October 1996, at the Temple Church, London EC4.

For Gazette BIRTHS, MARRIAGES & DEATHS, please telephone 0171-293 2011 or fax 0171-293 2010. Charges are £6.50 a line (VAT extra).

Birthdays

Mr Richard Adams, former chief executive of P & O, 75; Miss Pauline Baynes, designer and book illustrator, 74; Sir Tom Cowie, life president, Cowie Group, 74; Professor John Davis, Warden, All Souls College, Oxford, 88; Mr Eric Forth MP, Minister of State, Department of Education and Employment, 82; Sir John Gerton, statesman, 85; Mr Robin Hyman, publisher, 85; Sir John Loveridge, former MP, 71; Sir Peter MacAdam, former chairman, BAT Industries, 75; Sir Anthony May, High Court judge, 86; The Rev Professor Norman Porteous, theologian, 88;

logical scholar, 98; Mr Cliff Robinson, actor, 71; Mr James Sabine-Clarke, Headmaster of Winchester College, 55; Mr Richard Sharpe, rugby player, 58; Mr Dave Stewart, rock musician and producer, 44; Dr Ian Shirley Summerskill, former Labour MP, 65; Mr Chaim Topol, actor, 61; Miss Margaret Tyzack, actress, 65; Air Commodore Robert Weightill, former secretary, Rugby Football Union, 76.

Anniversaries

Births: Armand-Jean-de-Plessis de Richelieu, cardinal and statesman, 1585; Luigi Galvani, physicist, 1737;

Tobias George Smollett, physician and author, 1771; Gaetano Milanesi, architect and painter, 1778; John Singleton Copley, painter, 1815; Shaka, King of the Zulus, assassinated 1828; Stephen Malfatti, poet, 1848; Henri-Marie-Raymond de Toulouse-Lautrec-Monfa, painter, 1861; Roger Eliot Fry, artist, 1934; Mao Tse-tung, Chinese leader, 1949; Hugh MacDiarmid, poet and critic, 1978. On this day the English defeated the Scots at the Battle of Flodden Field, 1513; San Sebastian, held by the French, surrendered to the Duke of Wellington, 1813; local government in Wellington was constituted under the

British Municipal Corporations Act, 1855; California became the 31st of the United States, 1850; the first regular airmail service was started from Hendon to Windsor, 1911; the first hijack of a British aircraft took place near Beirut, 1970. Today is the Feast Day of St Bede, St Ciaran of Klugan, St Gorgonius, St Isaac or Simeon the Great, St Joseph of Volokolamsk, St Omer or Audomarus and St Peter Claver.

The Hon Simon Weinstock

A Memorial Concert will be held at the Royal Opera House, Covent Garden, on Friday 4 October at 3pm. Admission will be by ticket only. Those wishing to attend should write to Mrs E. Newton, 1 Stanhope Gate, London W1A 1EH.

Lectures

Victoria and Albert Museum: Deirdre Robson, 'Art Nouveau'; 2.30pm.

Rita Rave Shapiro, of London N2, left estate valued at £1,170,441 net.

Emile Noël

Felicuously and accurately, writes Tam Dalyell, Richard Mayne, himself a Brussels insider, describes Emile Noël as a "great eminence" [obituary, 3 September]. But as a politician and an indirectly elected MEP from 1976 to 1979, may I record the warmth of the welcome accorded by Noël to the first British Labour delegation to the European Parliament, and the help that he gave any of us who had the curiosity to inquire of him about the seemingly Byzantine labyrinth of the European Community empire, of which he was the Grand Vizier. Lurking in the greyness and the eminence was a delicious, if Gallic, sense of humour and a capacity to recall events with sparkling clarity of insight.

One balmy night in Strasbourg in 1976, he invited his old friend Sir Geoffrey de Freitas, MEP, MP, Minister in the Attlee government, to dinner, and me – as a young MEP who happened to be there – to tag along, too. Noël told us an extraordinary, and I believe hitherto unprinted, story to which he was one of the few to be privy.

It was at that turned out to be a crucial meeting in the history of Europe, on 1/2 June 1955 at Messina in Sicily, attended by senior ministers, and European heavyweights such as Paul-Henri Spaak, Jean Monnet, Guy Mollet, and Walter Hallstein. The British representative was not from the Foreign Office hut (by design, because Britain regarded Europe "as a trade matter") from the Board of Trade.

It was bad enough, twinkled Noël, that Angleterre did not send a minister. It was worse that if it were to be an official that represented Grand Bretagne, it were not a Foreign Office official. It was even worse still that the particular official dispatched to the birth of Europe scarcely showed even a polite interest in proceedings which were to prove historic.

Instead, reminiscing Noel, he played hookie from the receptions and out-of-conference discussions, skipping even some of the formal sessions and indulged in his passion for pursuing butterflies and moths in the beautiful Sicilian countryside. Noël said that he did not doubt that Russell Bretherston was a very clever man and certainly a most "distingué entomologist" (he was author of *Moths and Butterflies of Great Britain and Ireland* volumes 9 and 10, 1979-83). But he added acidly that if Wedham College, Oxford, had taught its students and fellows (of whom Bretherston was one from 1928 to 1945) the same manners that he himself learnt at the Ecole Normale Supérieure, the British might have been wiser about the stirring of events in post-war Europe. And, added Noël, if Bretherston had not had to go home early at the end of the expert discussion of the Inter-Governmental (Spaak) Committee in November 1955, the development of Europe might have been different – and, Noël implied, better politically, because he thought that British participation mattered.

"Vous n'avez aucune idée," he said, how damaging the attitude of British ministers and Bretherston was to Britain and to Europe.

Photograph: Hulton Getty



A sensation: Welitsch in the title-role of Peter Brook's *Salomé* designed by Salvador Dalí

Ljuba Welitsch

After Donna Anna, in the person of the Bulgarian soprano Ljuba Welitsch, exploded on to Covent Garden stage on 20 September 1947 during the visit of the Vienna State Opera to London, *Don Giovanni* never

seemed quite the same again to any in the audience that night. When, two days later, she sang the title role of *Salomé*, conducted by Clemens Krauss, the impact was even more shattering. Welitsch not only looked young and glamorous with her gorgeous red hair, but she sounded like a beautiful teenager, while her brilliant, powerful voice rose effortlessly above the orchestra in the final monologue.

The following year she sang as a guest artist with Covent Garden's recently formed resident company, returning frequently until 1953. By then her voice had deteriorated to a shadow of its former glory. Welitsch was only 40, but a throat operation, and the unstinting generosity of tone which she always lavished on her audiences, had taken their inevitable toll.

After the Second World War she became a member of the Vienna State Opera, making her memorable visit to Covent Garden in 1947 and adding several roles to her repertoire, including Desdemona, Aida

and the *Trovatore*; Leonora; *Chrysanthemis* (*Elektra*); Lisa (*The Queen of Spades*); Tanya, Jenůfa and Minnie (*The Girl of the Golden West*).

With Covent Garden Opera she sang Aida, Lisa, Salomé in the notorious production directed by Peter Brook and designed by Salvador Dalí, which caused a major sensation; and two Puccini roles, both of which were perfectly suited to her vocal and dramatic gifts: *Musetta and Butterly*. In 1941 she moved to Flensburg and two years later to Munich. Meanwhile she made guest appearances in Graz, where she remained for four years, singing Nedda and Sophie; Cherubino, Susanna and Fiordiligi; Puccini's *Mambo*, *Mimi*, *Musetta* and *Butterly*. In 1941 she moved to Flensburg and two years later to Munich. Meanwhile she made guest appearances in Graz, where she remained for four years, singing Nedda and Sophie; Cherubino, Susanna and Fiordiligi; Puccini's *Mambo*, *Mimi*, *Musetta* and *Butterly*. In 1941 she moved to Flensburg and two years later to Munich. Meanwhile she made guest appearances in Graz, where she remained for four years, singing Nedda and Sophie; Cherubino, Susanna and Fiordiligi; Puccini's *Mambo*, *Mimi*, *Musetta* and *Butterly*.

Welitsch made her Metropolitan débüt in 1949 as *Don Giovanni*, and a recital disc with selections from her favourite roles in opera and operetta. Perhaps the best of these are Lisa's two arias from *The Queen of Spades* which, although sung in German, give a very fine impression of her dramatic power in Tchaikovsky's opera.

Elizabeth Forbes

Ljuba Welitschowa (Ljuba Welitsch), opera singer; born Borisov 10 July 1913; twice married (marriages dissolved); died 31 August 1996.

start the Royal Air Force Sailing Association on the Welsh Harp; both clubs being for all ranks. He raced 12ft dinghies with the Ranelagh Sailing Club and later X-boats with the Royal Lynmouth Yacht Club, winning his last race when over 90 years old. His wife, and the mother of his four children, served as his skilled and enthusiastic crew throughout his sailing career. He represented Great Britain in the Firefly single-handed class at the 1948 Olympic Games, in which he was the oldest competitor and so took the Olympic oath at the opening ceremony.

Arthur McDonald lived his long life in challenging times. He met all the challenges that came his way.

Christopher Foxley-Norris

Arthur William Baynes McDonald, air force officer; born 14 June 1903; AFC 1928; CB 1949; KCB 1958; Commander-in-Chief, Royal Pakistan Air Force 1953-57; married 1928 Mary Gray (two sons, two daughters); died 26 July 1996.

ROYAL ENGAGEMENTS

The Prince of Wales, President, the Prince's Trust, will visit the National Children's Centre, Birmingham, and the Princess Royal will open the Royal Bank for Girls, opened the South East Children's Centre and attend a service at St Paul's Cathedral, London, to mark the 20th anniversary of the National Autistic Society, when the Prince of Wales will present the Autism Charter. The Prince's Trust will host a reception at the Royal Lancaster Hotel, London, to mark the 20th anniversary of the National Autistic Society, Edwina, The Duchess of York, President, the National Autistic Society, will attend a dinner to mark the 20th anniversary of the National Autistic Society, at the Royal Lancaster Hotel, London, to mark the 20th anniversary of the National Autistic Society, Edwina, The Duchess of York, President, the National Autistic Society, will attend a dinner to mark the 20th anniversary of the National Autistic Society, at the Royal Lancaster Hotel, London, to mark the 20th anniversary of the National Autistic Society, Edwina, The Duchess of York, President, the National Autistic Society, will attend a dinner to mark the 20th anniversary of the National Autistic Society, at the Royal Lancaster Hotel, London, to mark the 20th anniversary of the National Autistic Society, Edwina, The Duchess of York, President, the National Autistic Society, will attend a dinner to mark the 20th anniversary of the National Autistic Society, at the Royal Lancaster Hotel, London, to mark the 20th anniversary of the National Autistic Society, Edwina, The Duchess of York, President, the National Autistic Society, will attend a dinner to mark the 20th anniversary of the National Autistic Society, at the Royal Lancaster Hotel, London, to mark the 20th anniversary of the

MAM may not play by Greenbury's rules

PETER RODGERS
Financial Editor

The City's biggest pension fund manager, Mercury Asset Management, has told clients that it is prepared to sidestep the Cadbury and Greenbury rulebooks on corporate governance whenever it is in the "economic interest" of shareholders to do so.

MAM issued a plea for flexibility in interpreting the rules in a four-page statement of principles of corporate governance which emerged yesterday, the first time it has set out its views on how directors should

run their companies. With £28bn of funds under management, including £5bn in the UK, MAM's equity holdings give it enormous clout in British boardrooms.

A MAM spokesman said: "It is too easy to tick the boxes – we must stand back and ask what is in the best economic interest of the client."

The dispatch of the statement to more than 1,100 MAM clients has coincided with an attack by Lord Weinstock on the way the codes are applied.

After GEC had been forced by the Association of British In-

directors to change the pay package of George Simpson, his successor at the helm of the company, Lord Weinstock said the Cadbury and Greenbury codes were "not engraved in stone and brought down from Mount Sinai". He accused some institutions of using the Greenbury rules to persecute executive directors.

MAM is believed to have similar concerns about the impact of a strict interpretation of the codes on companies such as Stagecoach, headed by Brian Souter, and Kwikfit, run by Tom Farmer, where one or two

directors have been the driving force behind spectacular performances. The fund management group thinks attacks on them are unlikely to be in the interests of shareholders.

MAM's formal statement to clients says it is "not appropriate to interfere in the details of individual directors' remuneration" although it does take a view on total board pay and the structure of pay packages.

The statement says: "We do not believe that blanket implementation of the various codes of practice is necessarily effective or desirable."

MAM supports initiatives to raise standards, but the statement adds: "We believe it is impossible to create a single set of rules that is appropriate for every company."

"Indeed, there is a risk that in attempting to produce a single set of rules the substantive issues may be lost."

"The introduction of a code of best practice cannot of itself ensure that companies are managed with competence and integrity and each company needs to be analysed on an individual basis."

The statement seeks to per-

Gavyn Davies: The race to reach EMU

Skoda's plan to double production

Stock market week/Share prices

CITY & BUSINESS EDITOR: JEREMY WARNER

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holders over pay is best achieved by all directors standing regularly for re-election and by the remuneration committee chairman being available for questions at the annual meeting, says MAM.

It states that it is prepared to vote against incumbent management "whenever it is in the economic interests of our clients".

MAM says it also strongly defends pre-emption rights, which give existing shareholders first call on new shares against a growing campaign for a relaxation.

the election of directors, the issue of new shares and the appointment of auditors.

The statement says: "We regard voting against management as a last resort, to be taken after every other avenue of influence has been exhausted."

Directors' pay should be a fair reflection of individual and corporate success, and should be related to performance. However, MAM is strongly in favour of limiting contracts to 12 months, with exceptions allowed as long as they are for fixed not rolling periods.

Accountability to share-

Hydro sued for £25m

MICHAEL HARRISON

The Scottish electricity company, Hydro-Electric, is small specialist energy consultancy which alleges that it reneged on a joint venture deal and poached a key member of staff.

A writ was served by Sterling Energy Equities UK on Hydro-Electric last month and the Court of Session in Edinburgh has given the plaintiffs leave to proceed with the claim.

The case centres around a five-year agreement that Hydro-Electric and Sterling entered into in 1994 to provide energy management and generation systems for industrial sites.

One of the projects the joint venture was working on was a £200m development of a 500-acre site in Mossend, Lanarkshire, including the installation of co-generation equipment.

Last October, however, the agreement was terminated. Sterling alleges that Hydro-Electric also "enticed away" one of its project team, Martin Thomas, a computer specialist. Sterling claims in its writ that the anticipated return from the Lanarkshire development would have been £100m over the next 20 years. The company, which had a 20 per cent stake in the joint venture with Hydro, is claiming £25.5m in damages plus interest. Most of the claim relates to revenues it says it will forgo but some is understood to relate to Mr Thomas's services.

A spokesman for Sterling said: "We did have a relationship with Hydro that ended acrimoniously and it is now the subject of litigation." The company, he added, had been advised by its Edinburgh solicitors, Simpson and Marwick, not to comment any further.

A spokesman for Hydro-Electric said: "We intend to defend this action vigorously."

Next stop London: Thomas heads for the stock market



Early days: The Rev Wilbert Awdry, who created Thomas the Tank Engine, is said to have made £4m

Photograph: PA

Thomas the Tank Engine and the Fat Controller are steaming off to the London stock market in a flotation that should value the Britt Allcroft group at about £25m.

This dwarfs the money made out of Thomas by his creator, the Rev Wilbert Awdry, and his family.

His son, Christopher Awdry, last year rejected suggestions the family had made as

much as £7m from Thomas and estimated the total at less than £4m.

Founded by husband and wife team Britt Allcroft and Angus Wright, the Britt Allcroft group bought world-wide video, TV and character licensing rights to Thomas from the publishers, Kaye & Ward, in the early 1980s. The two founders will keep their combined stake of about half the company. Other

Britt Allcroft shareholders include the merchant bank Guinness Mahon and Ringo Starr, the former Beatle, whose voice was featured in the TV series.

Britt Allcroft plans to raise £25m in equity in the flotation to finance international expansion of Thomas and its other brands.

In the year to June, the group made a pre-tax profit of £2m on turnover of £1.5m.

Morgan Grenfell executives face the axe next month

JILL TREANOR
Banking Correspondent

Deutsche Bank is expected to demand the resignations of a number of senior executives at Morgan Grenfell as a result of the scandal surrounding Peter Young, the fund manager suspended last week.

But it emerged yesterday that the executives in the firing line could have six weeks' breathing space until the bank completes its inquiries.

Morgan Grenfell intends to publish the findings of the investigation which is attempting to find out how 38-year-old Mr Young was able to set up a web of illicit Luxembourg companies to hide the scale of his investments in risky high technology firms in Scandinavia.

Mr Young's investment decisions were overseen by his immediate boss, Glyn Owen, chief investment officer at Morgan Grenfell Asset Management, who is among the most vulnerable. Attention is also being focused on Keith Percy, the fund management chief executive.

However, Graham Kane, chief executive of the unit trust business, was a marketing rather than fund management specialist and is likely to argue that he should not be in the frame.

The losses at the asset management operation, a crucial part of Deutsche Morgan Grenfell – the powerhouse behind Deutsche Bank's push into investment banking – are also an embarrassment to Michael Dobson, chief executive, the only British member of the German bank's board, but there is no suggestion at the moment that his position is threatened.

Discussions within Deutsche Bank about shifting responsibility for the unit trust operations back to Frankfurt have led to unease among British regulators, who would rather the German banking giant kept the responsibility for the fund management operations in London.

"We like to have close contact with those who are answerable to our rules. That is the preferred state," said Phillip Thorpe, chief executive of Imro, the investment regulator.

While Mr Thorpe said Imro liked its regulated firms to be run locally, he acknowledged this was not always possible.

"We have a lot of businesses we regulate which are branches or subsidiary operations, where aspects of the business will be here, and regulated by us, and that will be overseas," he said.

As the Serious Fraud Office continued to pore over documents relating to the £1.4bn fund and the maze of Luxembourg companies used for the deception, Morgan Grenfell's investigators – headed by Robert Smith, the firm's highly regarded head of development capital – will also aim to uncover how Mr Young hid his activities from his managers for so long.

The couple and their two young children have recently moved to a new £400,000 home in Amersham, Buckinghamshire, which they bought for cash. A Land Registry search shows no mortgage.

In April, Mr Young was told to reduce his stakes in the unlisted companies, which at one stage comprised almost 30 per cent of the portfolio when regulations only permit 10 per cent.

But instead of slimming down his stakes, he used the Luxembourg companies to buy up failing investments.

Morgan Grenfell, and ultimately Deutsche Bank, will

Principal Hotels to float this autumn

NIGEL COPE

Principal Hotels, a UK operator of period hotels, is to seek a stock market listing later this autumn which will value the company at around £100m.

Principal has 21 hotels, mostly in the three- and four-star sector. Sixteen are in England, mostly in the Midlands and the North, with others in Edinburgh, Dublin, Copenhagen and Amsterdam. Its largest hotel is the Norbreck Castle in Blackpool which has 361 bedrooms.

Principal chairman John Lewis led a management buy-in of the group in 1994. Since then, £11m has been spent on improving the sites, including the addition of more than 200 bedrooms. Principal will use the proceeds to reduce debt and fund the further development of the portfolio.

In the year to October 1995,

Small business more confident over future

MAGNUS GRIMOND

Confirmation that the recovery is filtering through to the lower reaches of the economy comes today in a survey showing small and medium-sized businesses at their most confident for more than 18 months.

Optimism about both their own prospects and the general political and business climate has risen for the third quarter in a row and now stands at the level it was at in the first-half of last year, according to the latest three-monthly poll of its portfolio by Si, the venture capital group.

Si's enterprise barometer now stands at 70 for the August quarter, up from a low hit in October last year, when the confidence indicator showed a reading of 17. It has not been as high as the current figure since February 1995, when it stood at 108, but it was then on

the way down. It is the first time since January 1994 that all areas regularly measured by the survey have increased.

Charles Richardson, director of corporate affairs, said: "Businesses are seeing increasing demand for their products. I think that's what's really encouraging them." But he said that there was more confidence that the economy is set fair for the next few months. "The indicators are moving in the right direction with the election a few months away. The consumer is more confident and exchange rates are staying pretty stable."

Professional investors have become less bullish about the near-term prospects for global equities markets, according to the Merrill Lynch survey of UK fund managers. They are most bearish about the US and least pessimistic about continental European markets.

IN BRIEF

• A UK-based gene company founded this year, Oxford Biomedica, plans to raise at least £5m by floating on the Alternative Investment Market. Founded by Professor Alan and Dr Sue Kingsman, directors of the Retrovirus Molecular Biology Group at Oxford University, the company plans to exploit viruses that insert therapeutic genes in human cells, to treat diseases such as cancer, Alzheimer's, Parkinson's and HIV. Institutional and private investors recently subscribed £750,000 in a placing.

• The Serious Fraud Office is back in court this week with two trials. On Wednesday the collapsed Bank of Credit and Commerce International (BCCI) returns to the central criminal court in London when Abbas Golak, head of the Gulf Group and one of the biggest clients of BCCI, will face trial for fraud and false accounting.

The jury is to be chosen to hear the case of three Leicestershire men charged with fraud at Oxford Crown Court. John Hayes, David Sharratt and Richard Hayes are charged with defrauding creditors of their company, Switland Motors, between November 1991 and 1993.

• More than half of employers say they will not hire anyone who has "difficulty in seeing", resulting in large numbers of blind and partially-sighted people being forced to live below the poverty line, according to the Royal National Institute for the Blind. Discrimination on the grounds of disability will be outlawed when the employment provisions of the Disability Discrimination Act come into force on 2 December.

• Save & Prosper, part of the Robert Fleming group, is stepping up its attack on banking with the appointment of Stephen Richardson as retail banking director. He was previously managing director of Barclays' retail banking service.

er Britt Allcroft shareholders include the merchant bank Guinness Mahon and Ringo Starr, the former Beatle, whose voice was featured in the TV series.

Britt Allcroft plans to raise £25m in equity in the flotation to finance international expansion of Thomas and its other brands.

In the year to June, the group made a pre-tax profit of £2m on turnover of £1.5m.

Photo: PA

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Skoda to take on imports from Korea

CHRIS GODSMARK
Business correspondent

Skoda, the Czech car maker controlled by Volkswagen, has revealed an ambitious plan to double production in a world-wide assault on the "economy" car market.

The result is, according to Skoda's new medium-sized car, the Octavia, which will be used by VW to compete with imports from Korea and Malaysia. The speed with which Skoda developed the car provides some unpleasant lessons for BMW as it struggles to define a role for Rover.

The Skoda Octavia is a stretched version of the next generation VW Golf. Expected to be priced at under £10,000, it uses the same engines, gear boxes and suspension parts as a £15,000 Audi, with just 40 per cent of the car sourced from the Czech Republic or Slovakia.

By raiding VW's vast development programme, costs have been kept to a minimum. Skoda is sensitive about the figures for political reasons, but it is believed just DM200m (£37m) has been contributed by Skoda to its German parent, which owns 70 per cent of the shares.

Since VW took a stake in Skoda in 1991, it has invested a total of DM1.8bn (£780m), hardly an excessive amount given that this has resulted in one new car, another heavily revised one, and a totally refurbished factory.

Cost pressures have dictated that the Octavia will not be sold in the UK in right-hand drive form until the beginning of 1998.

Bankers control the move to EMU

GAVYN DAVIES

The central bankers coldly point out that interest rates in Germany and France are already close to post-War lows, and that no further action is needed.... If they prove wrong, and GDP stumbles along at 1 per cent or less, EMU will have to be postponed or abandoned'

French Prime Minister Alain Juppé announced last week that France would no longer change its clocks in line with the rest of continental Europe – or in line with "Berlin time" as it was known when it was imposed by Hitler during the War. This minor assertion of national independence from Germany does not, however, seem to extend to economic policy, where the ties between the two great European powers are being ever more tightly bound. Even so, not everyone is yet convinced that EMU will go ahead as planned in 1999 – for example, Ken Clarke last week said that the odds in favour were only "about 60 per cent". So why the continuing doubts?

In a superficial sense, the outcome depends on whether the convergence criteria in the Maastricht Treaty can be hit in 1997. The key criterion, though hedged with many qualifications, is the objective of cutting the budget deficits in participating countries to less than 3 per cent of GDP next year. If this and other criteria are achieved, then, in theory, the move to EMU in 1999 becomes automatic. This was, after all, the whole point of the Maastricht process. But in practice, the outcome will depend mainly on political will, especially on whether President Chirac continues to place EMU ahead of almost any other economic objective in the next two years. And the context in which he is working is being shaped not by elected politicians, but by the "independent" central bankers of Germany and France.

There have always been questions about the depth of President Chirac's personal commitment to EMU. Only a few weeks ago, there were murmurings from within the French government (and perhaps even from within the Elysée itself) that Jean Claude Trichet, the governor of the Bank of France, was pushing the economy towards disaster with his tough monetary policy, designed to ensure that the franc remained firm against the mark as a prelude to EMU. In Paris, the talk among economists has been of the risk of deflation – an outright fall in the price level – and a renewed collapse in the

property market. Some economists have started to call for the kind of aggressive easing in monetary policy which hauled the US out of recession in 1991/92, and did the same for Japan in 1995/96.

But the central bankers coldly point out that interest rates in Germany and France are already close to post-War lows, and that no further action is needed to generate an economic recovery. If they are right, the two economies could generate enough growth next year to enable budget deficits to come in below 3 per cent of national income. If they prove wrong, and GDP growth stumbles along at 1 per cent or less, then EMU will have to be postponed or abandoned.

The stakes are therefore very high, and the rewards for getting monetary policy right are unusually large. But it is still hard to feel confident that overall monetary conditions have been eased enough. Admittedly, real short-term interest rates in Germany now stand at about 1.5 per cent, while in France they are around 2 per cent, the lowest level in a generation. But monetary conditions should not be measured by looking at short-term interest rates in isolation. It is the responsibility of central banks also to take into account the behaviour of the exchange rate and long-term interest rates. These are not directly within their control, but it is crucial to take account of their potential de-

flationary impact when setting the one variable that central bankers can control, the overnight interest rate.

One way of doing this is to try to derive a single index which takes account of the combined effect of the exchange rate, short-term interest rates and long-bond yields, with the weights attached to each of the variables being determined by their relative impact on economic growth. The graph shows the Goldman Sachs Monetary Conditions Indices (MCIs) for the US, Japan and the two main European economies over the period since 1987. When the indices are at 100, overall monetary conditions are at the level they have attained on average in the past decade, and upward movements in the graph represent easier money.

The index is constructed such that a one-point move is equivalent to a combination of a one percentage point change in both short and long rates and a one percent move in the exchange rate.

Although it is dangerous to use these MCIs to make overly precise comparisons between the stance of monetary policy in different economies, the graph does illustrate a couple of important points. First, monetary conditions in Germany and France have eased very sharply in the past 18 months, with the overall MCI loosening by over 2 per cent. This has eliminated the inadvertent tightening in policy which

occurred as bond yields and exchange rates rose during 1994. In the same way that the tightening in policy in 1994 caused, with the usual lags, the recession of 1995/96, the easing ought to be followed by an economic recovery in 1997.

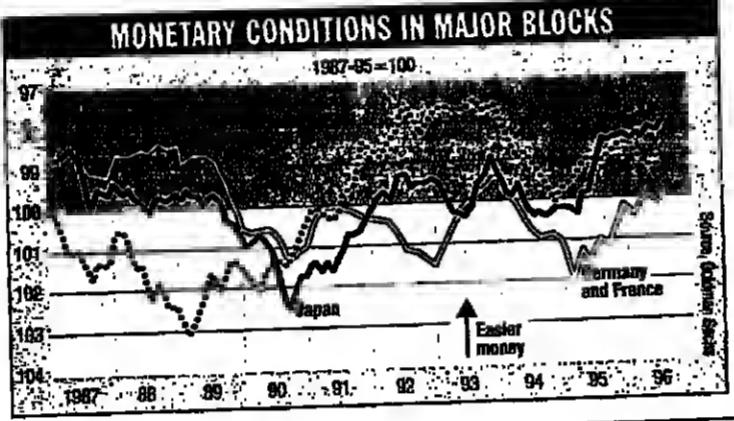
Second, despite this easing, the stance of monetary policy in the two European countries is still only about average for the past decade. The very low level of short rates is offset by a firm exchange rate and high bond yields, so the central banks are not yet delivering an overall monetary stimulus which is aggressively easy. Certainly, the central bank stance in the EU today does not compare with the degree of monetary stimulus which succeeded in triggering the recoveries in the US and Japan earlier in this decade.

And the central banks should also be taking into account the fact that fiscal policy is due to tighten by around 0.5-1 per cent of GDP in Germany and France next year, so that the work which is left for monetary policy is that much harder.

The bottom line of this analysis is that there has probably been sufficient recent change in the stance of monetary policy in the big two EU economies to get some response in terms of output growth in the next few quarters. In contrast to many forecasters, Goldman Sachs believes that the rebound in growth could prove slightly more robust in France than in Germany, because there is more scope for recovery in the building sector and in the level of inventories. The central case must therefore be a cautiously optimistic one.

But the central banks have certainly not yet erred on the side of safety in setting the absolute level of the MCIs. With the French economy still plagued by a weak property market and a banking sector still struggling to adjust to a collapse in balance sheet strength, it could turn out that it will need much more than average levels of the MCI to sustain the strong recovery which is so needed.

One consolation for the politicians is that if all goes wrong they will know exactly whom to blame – the Bundesbank and the Bank of France.



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